Supreme Court, U.S.
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No. 04-1329

In the Supreme Court of the United States

OCTOBER TERM, 2005

ILLINOIS TOOL WORKS INC. AND TRIDENT, INC.,

Petitioners,

v.

INDEPENDENT INK, INC.,

Respondent.

On a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

---

JOINT APPENDIX

VOLUME 3 OF 3

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PETITION FOR CERTIORARI FILED APRIL 4, 2005
CERTIORARI GRANTED JUNE 20, 2005

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Attorneys For Plaintiff and Counterdefendant
INDEPENDENT INK, INC.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

INDEPENDENT INK, INC., a California corporation	) Case No. CV98-6686 NM (CWx)
Plaintiff	) **DECLARATION OF EDWARD F. O'CONNOR IN SUPPORT OF INDEPENDENT'S BRIEF PURSUANT TO THE COURT'S AMENDED MINUTE ORDER OF FEBRUARY 1, 2002**
vs.	)
ILLINOIS TOOL WORKS, INC., a Delaware corporation and TRIDENT, INC., a Connecticut corporation; and Does 1 through 50,	) Date:) Time:) Courtroom: 11
DEFENDANTS.	) Hon. Nora M. Manella

CONTAINS CONFIDENTIAL-INFORMATION SUBJECT TO PROTECTIVE ORDER TO BE FILED UNDER SEAL NOT TO BE OPENED NOR THE CONTENTS REVEALED EXCEPT (1) TO THE COURT AND THEN RESEALED (2) BY AGREEMENT OF THE PARTIES, OR (3) BY PRIOR ORDER OF THIS COURT

I, Edward F. O'Connor, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and if called upon can and will testify to them in a court of law.

2. I am an attorney at law and an attorney of record for the Plaintiff and Counterdefendant, Independent Ink, Inc. in this case.

3. Attached hereto are true and correct copies of the following exhibits:

A. Deposition Testimony:

Ex. 1, Trident/ITW 5/10/2001, 30(b)(6) deposition testimony of Mr. Dennis Sibley, p. 255, l. 7-p. 256, l. 18.

Ex. 2, Elaine Pullen, 8/23/2000, p. 150, l. 20-152, l. 21.

Ex. 3, Elaine Pullen, 8/23/2000, p. 267.

Ex. 7, Elaine Pullen, 5/1,0/2000, pp. 318-319 and 333-334.

Ex. 28, Thomas Barnett, 7/31/2000, p. 10, l. 2-p. 12, l. 2; p. 13, l. 17-p. 14, l. 8; p. 25, ll. 2-19; p. 26, ll. 13-18.

Ex. 29, Elaine Pullen, 8/23/2000, p. 227, l. 18-p. 228, l. 18; p. 229, l. 6-p. 230, l. 6.

Ex. 38, Elaine Pullen, 5/10/2000, p. 353, ll. 5-7.

Ex. 39, Trident/ITW 5/10/2001, 30(b) (6) deposition testimony of Mr. Steve Liker, p. 26, ll. 13-25; p. 60, ll. 17-20.

Ex. 40, Trident/ITW 5/9/2001, 30(b) (6) deposition testimony of A1 Stanco, p. 67.

Ex. 41, Dareen L. Cannizzaro 4/2/2001, p. 149, ll. 6-20.

B. Documents Produced by Trident/ITW:

Exs. 4-18; 21-27; 31-37; and 44-52. (Handwritten percentages on Exs. 5 & 6 were placed there by me and were a result of my computations.)

C. Declaration of Thomas G. Barnett:

Ex. 20.

D. Letter from Mohawk to ITW obtained by Independent and maintained in its business records in the normal course of its business.

Ex. 26.

E. Tree Top letter obtained by Independent and maintained in its business records in the normal course of its business.

Ex. 30.

F. Declaration of Ranganathan N.K.

Ex. 43.

G. Excerpts from Areeda:

Vol. IX pgs. 7, 8, and 10.

Vol. IIIA, Second Edition, p. 372.

Vol. X pgs. 45 and 47.

The yellow highlighting on the exhibits was done by me.

I declare under penalty of perjury under the laws of the State of California that the above statements are true and correct.

Executed this 11th day of February, 2002, at Newport Beach, California.

/S/ EDWARD F. CONNOR
Edward F. Connor

Exhibit 3

CONFIDENTIAL TRANSCRIPT
IN THE UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

INDEPENDENT INK, INC., a California corporation	)	
Plaintiff,	)	
vs.	)	No. CV98-6686 NM (CWx)
TRIDENT, INC., believed to be a Connecticut corporation; and Does 1-50, inclusive,	)	CERTIFIED COPY
DEFENDANTS.	)	

DEPOSITION OF ELAINE PULLEN

Newport Beach, California
Wednesday, August 23, 2000

Volume 2

CONFIDENTIAL TRANSCRIPT

* * *

[Tr. 267] Q Okay. Do you have any idea what percentage of piezo ink jet engines were provided by Marsh at that time — I'm sorry — by Trident at that time?

A Well, what's the time? This is —

Q 1997.

A Well, the report is written in '97. I'm not sure it would be on '97 data, so it goes back to '96 where we would have had over 90 percent of them for industrial printing I'd expect.

Q Okay. Is Imaging Technology just another name for ITI or is that a different company?

A There is another one, so I'd have to look at it.

Q If it's the same one? If you'd take a look at 31825.

A Yes, this one is the same one, ITI.

Q Are you familiar with that record — I mean that letter?

A Okay.

Q Are you familiar with that letter?

A Yes.

Q Okay. Would you take a look at the second paragraph where it says, second sentence, "Third-party suppliers are selling inks to end users as low as $119 per bottle in single quantities."

* * *

Exhibit 5

Consulting - Mixed Res
Estimated market

High Res
Case Coding Market
World Wide
Jun-00

System Sales *

	Units	Revenues	ASP
North America	1,660	$ 24,900,000	$ 15,000
Euro	500	$ 7,500,000	$ 15,000
Asia	211	$ 3,165,000	$ 15,000
Sub Total	2,371	$ 35,565,000	
Markem / Weber Share 10%		$ 3,556,500	

Ink Sales

Trident Liters	65,500	
Street ASP	$280	
Trident Market	$ 18,340,000	— 90% of Trident + Pirate Mkt
Markem Ink Est.	$ 2,000,000	83% of total mkt
Ink Pirates Est.	$ 2,000,000	
Sub Total	$ 22,340,000	

Total World Revenue

Systems	$ 35,565,000
Inks	$ 22,340,000
Total	$ 57,905,000

Reference

Marconi	$ 25,000,000	43%
Markem / Weber Share	$ 5,556,500	10%

Trident Printhead Units Sales FY 1999

	Units	
North America	5,539	68%
Euro	1,713	21%
Asia	925	11%
Sub Total	8,177	

* Includes spares/misc
Trident Printhead ASP - $1,345 FY 1999
Note: Markem Share includes Weber sales at less than 1%

ATTORNEYS EYES ONLY

Exhibit 6

HI RES CASE CODING MARKET
WORLD WIDE FY 2001

SYSTEM SALES:

	Systems	Percent of Market
Trident Based	2,075	85%
Markem Based	300	12%
XAAR / MIT Based	67	3%
Total Systems	2,442	3% Growth
		$36.6 million

PRINTHEAD UNIT SALES:

	Systems	Upgrades/ Retro/Spares	Total CC
Trident	4,150 - 81%	2,915	7,065 - 86%
Markem	660	35	695
Xaar / MIT / HR 120	268	22	290
Total Printheads	5,078	2,972	8,050

INK UNIT SALES:

	Liters	Avg. Sell Price	Total CC
Trident Ink	71,000 liters	$280.00 ASP	$19,880 — 85%
Non Trident	14,000 liters	$240.00 ASP	$ 3,360
Total Inks	85,000 liters		$23,240

83.5%

including Markem + Xaar inks

TOTAL HIRES MARKET:

Systems	$36.630 m
Inks	$23,240 m
Misc. / Supplies	$ 1,500 m
Total Market	$61,370 m

ATTORNEYS EYES ONLY

Exhibit 7

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
(Western Division)

INDEPENDENT INK, INC., a California corporation Plaintiff, vs. ILLINOIS TOOL WORKS, INC., a Delaware corporation; TRIDENT, INC., a Connecticut corporation; and Does 1 through 50, DEFENDANTS.	)	No. CV98-6686 NM (CWx) **CERTIFIED COPY**

30(b)(6) DEPOSITION OF TRIDENT/ITW

Newport Beach, California
Thursday, May 10, 2001

Volume 2

CONFIDENTIAL TRANSCRIPT

* * *

[Tr. 308] having been first duly sworn, was examined and testified as follows:

THE WITNESS: I do.

EXAMINATION

BY MR. O'CONNOR:

Q State your name, please.

A My name is Elaine Pullen.

Q Ms. Pullen, I've taken your deposition before, so I'm not going to go through all of the preliminaries.

Would you please take a look at Exhibit 15297 entitled "Strategic Business Plan 1999."

MR. SIGALE: Mr. O'Connor, you said the box was in order but I'm looking at the document that immediately follows the assessment of the opportunity of ink market and that's not the next document I have.

MR. O'CONNOR: Are you unable to locate that document?

MR. SIGALE: Can you tell me what the cover is.

MR. O'CONNOR: It should be right in there.

MR. SIGALE: Actually, it was right in front of me.

MR. O'CONNOR: This may seem tedious, but we're

* * *

[Tr. 318] typically carton coding would be the case coding.

Q When you say "secondary," you're talking about the large carton in which the smaller cartons are placed?

A Correct.

Q For shipping, things like that?

A Yeah.

Q Can you tell me which line corresponds to carton coding on this graph.

A Well, it's — it would be easier in color, but I think the way that Excel spreadsheets usually do this is it would go from the bottom upwards; so the left-to-right boxes would correspond to the bottom-to-top boxes.

Q So the carton coding is just under —- like about the 35,000; is that right?

A It's actually impossible to tell from this because the bottom two come out the same.

Q Okay. All right. Do you have color copies in-house that would be easier to read?

A Either that or with some kind of different shades, I'm sure we did originally.

Q Okay. Could you turn to 005354, please. And this is market share analysis total market. And 6/21/99, does that mean that that was the market as of [Tr. 319] 6/21/99 — does that mean that's when this was done?

A I expect so, yes.

Q And where did the data come from for this chart?

A The Trident information obviously we have up until that date going forward is our forecast. Everything else would have been our estimate, internal estimate.

Q Okay. But what information would you use to make that estimate?

A We use a variety of sources. We would use discussions that we've had with customers, even competitors, anything published to the extent that it's helpful, and — but there are no published numbers for each of these companies individually, that I'm aware of.

Q Okay. Well, let's take, for example, Czar. If you look down there, it shows zero in '95, zero in '96, zero in '97, zero in '98, 40 in '99. Would that indicate 40 units total?

A Printheads.

Q Printheads. Total printheads?

A Correct.

Q And it would be more than one printhead in a machine; is that right?

* * *

[Tr. 333] our OEMs if they come across competitive products to provide us with information, because that's the only way we can get information about what is happening at end user sites.

Q Did you ever indicate to any of your customers, particularly Marsh, that you believed that Graphic Control's ink might cause corrosion to printheads?

A I believe Marsh notified us that they were having problems at sites which were using Graphic Control's ink.

Q Did Marsh provide you with printheads which they felt were so damaged?

A I don't know.

Q Okay. Could you take a look at, if you can find it, 298 — ITW 2983.

If you don't, you can look at that one, then. That's it.

MR. SIGALE: Is there a question pending?

BY MR. O'CONNOR:

Q Yes. Do you recognize that document?

A Okay. Yes, I do.

Q Do you know, can you tell me what that document is.

A It looks like it's an estimate of inkjet products used within the case coding market.

[Tr. 334] Q Do you know who prepared it?

A I believe this was Brian Mahar.

Q Who is he?

A Brian Mahar is head of the case coding marketing group. Or it may have been prepared by people who work for him in marketing.

Q Is he the present head of that group?

A Yes, he is.

Q How long has he had that position?

A Approximately two years.

Q Do you know where he obtained the information that went into that report?

A Again, he would have used a variety of sources of asking our OEM customers or using any published information and our estimates that we believe may or may not be true.

Q Well, if you believe that they could just as easily be true as not true, would he have relied on such information?

MR. SIGALE: Objection; assumes facts not in evidence.

MR. O'CONNOR: I'm asking for facts.

THE WITNESS: The — I think you can't actually rely on information exactly, no, because it is speculative.

Exhibit 8

TRIDENT, INC.

Presentation to the
Board of Directors

October 25, 1995

Brean Murray, Foster Securities Inc.
633 Third Avenue, 11th Floor
New York, NY 10017
(212) 476-0700

MARKET POSITIONING OF TRIDENT

Company's Positioning

- *Trident is significant beneficiary of growth in industrial printing and marking*

  On-demand printing of carton and boxes is Trident's largest market segment, representing almost two-thirds of its sales. New printheads and inks under development will allow Trident to exploit product marking opportunity.

- *Trident is the leader in piezo-electric ink jet*

  Trident is the technology leader in an increasingly important segment of the overall ink jet market, with a dominant market share and a broad patent portfolio. The value-added component of Trident's technology generates a high gross margin (>60%).

- *Piezo has advantages relative to other ink jet technologies*

  Piezo utilizes an extremely simple mechanism, with virtually no moving parts. This makes it a less expensive, more durable, and flexible device, and thus suitable for industrial applications.

- *As OEM supplier, Trident has extremely efficient marketing and administrative operation*

Lean overhead structure allows for low operating expense ratio, producing an EBITDA margin in excess of 40%.

- *The Company derives substantial portion of its revenues from sale of consumables.*

Trident's marketing focus is on customers with heavy ink usage. This generates an annuity from the sale of inks, which accounts for approximately one-third of total sales.

- *Management has significant experience in ink jet field*

Hugh Van Brimer holds 14 patents in ink jet field and related technologies. Elaine Pullen has held senior marketing and technical positions at several ink jet companies prior to joining Trident.

Exhibit 9

Cowen

P.2

William L. Potter (212) 337-2234
Patrick J. Parr (212) 337-2319
Alex. Brown

June 3, 1997

TRIDENT INTERNATIONAL, INC./NASDAQ (TRDT):
Demand Strong But Selling Cycle Extended; Slight Reduction in F1997E EPS -- "Strong Buy"

Price 6/3	52-Wk Price Range	EPS (FY: Sep.) 1996A*	1997E	1998E	Cal. Yr. P/E 1997E	1998E	Indicated Div.	Yld.
30 1/2	18-35	$0.84	$1.10	$1.40	17.7x	13.9x	$0.00	Nil

FY Sep.:	1996*	1997E	1998E	C1996*	C1997	C1998
1Q	$0.18	$0.26A	$0.30	$0.20	$0.27	$0.3
2Q	0.20	0.27A	0.33	0.22	0.28	0.3
3Q	0.22	0.30	0.37	0.24	0.31	0.4
4Q	0.24	0.31	0.40	0.24	0.30	0.3
Fiscal Year	$0.84	$1.10	$1.40	$0.90	$1.16	$1.47

* *Pro forma for the IPO of 3.5 million shares on 3/27/96*

INVESTMENT HIGHLIGHTS

- Based on conversations with Trident management and with a sampling of its OEM customers, we are reducing our our F1997 estimate from $1.13 to $1.10, and our CY 1997E EPS from $1.18 to $1.16. In doing so, we are now in line with consensus estimates.

- The reason for the slight revision is that we believe the selling cycle for Trident's OEM customers is increasing as more OEMs are effectively competing for some of the same business. The implication is that OEMs might experiance some delays in expected orders over the next two quarters as customers choose between multiple Trident-based proposals; nonetheless, overall demand remains strong.

- Our FY 1998E and our CY1998E EPS are unchanged at $1.40 and $1.47 respectively. We are encouraged by increasing participation by OEMs. Trident is gaining share with OEMs and end users, which supports our thesis.

- Trident is rated "strong buy" with a twelve month price target of $35 reflecting a 24x multiple on CY 1998E EPS of $1.47.

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TRD

EX. 9

Ap. 507

BEST AVAILABLE COPY

comparison to label printers. Trident is benefiting from a replacement cycle from labels to direct carton coding.

4) A Proprietary Solution -- Only Trident supplies the (patented) ink jet sub systems that provide the high resolution for readability of barcodes required by Walmart and other retailers. As two VARs put it, "Trident is the only game in town for both ink jets and ink."

5) Growing Razor Blade Sales -- Ink sales were 33% of total revenues in F3Q:97, up 49% year-over-year. Trident's newest products consume more ink than the older products. And Trident is the sole source for the proprietary inks that are compatible with their ink jets.

VALUATION/CONCLUSION

We rate Trident shares "strong buy" with a 28% long term growth rate and a 12 month price target of $35 reflecting a 24x multiple on CY 1998E EPS of $1.47.

Additional Information Available Upon Request

Alex. Brown & Sons, Incorporated maintains a net primary market in the common stock of Trident International.
Alex. Brown was an underwriter for the February 1996 offering of 3.5 million shares of common stock of Trident International.

Exhibit 10

Strategic Business Plan

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ATTORNEY'S EYES ONLY

Trident continues to be the world leader in the supply of piezo impulse ink jet printheads and inks for industrial marking applications. Sales in FY 1997 will be approximately $30.2M, which represents a 17% increase over FY 1996. Earnings per share will be approximately $1.04, or an increase of 22%.

FY 1997 is characterized by printhead and ink revenues leveling off in all major market segments. The early part of the year was adversely affected by the transition in the carton coding segment to the Ultrajet 256/32. The latter part of the year has been adversely affected by a longer selling cycle to the end-user and by discounts to major OEM's on printheads and inks. Underlying these issues, however, is maturation of the Ultrajet product in existing, porous media applications and increasing frustration and rejection by OEM's and end users of the technological weaknesses of the product.

New product development which incorporates fundamental and radical improvements is the key to rejuvenating the growth in sales. Secondly, creating a strong brand image with end users will help to preserve loyalty to Trident printheads and inks and cause a pull-through demand. We must no longer regard our OEM as our customer, but rather as a distribution partner to reach the end-user. Thirdly, we must exploit new markets. These include non-porous applications, which can be addressed predominately through existing distribution channels, and wide format printing, which will be addressed by the creation of a development team to develop roll to roll and flat bed systems. Product costs will be reduced to allow penetration of a wider portion of the market. However, there is no evidence at present that other industrial piezo printheads can be produced at less cost than Trident's with comparable performance.

No credible printhead competition emerged in FY 1997. An ink "pirate", Graphic Controls, did emerge strongly and

they are expected to have an effect on ink revenue in FY 1998 onwards unless Trident is willing to take a firmer legal position to defend license agreements and patents.

This plan requires a 49% CAGR to achieve sales of $100M by fiscal year 2000. Acquisition will be necessary to achieve this goal.

* * *

Exhibit 11

CONFIDENTIAL

Trident International, Inc.
1998 Marketing Plan

TRIDENT
INTERNATIONAL, INC.

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ATTORNEY'S EYES ONLY

Trident International
1998 Marketing Plan

1.1 Market Overview

The industrial ink jet printing market is large and growing. Including sales of CIJ, valve jet and impulse jet systems and consumables, global sales were $1.06 billion during 1996. Sales are projected to grow to $1.65 billion in the year 2001 (Source: GIGA). Carton coding is expected to be the dominant growth driver.

Trident dominates the impulse ink jet printhead market and plans to grow aggressively through the year 2000 and beyond.

Trident Sales by Geographic Area ($ million)

	1996	1997	1998	1999	2000	2001
Total	25.9	30.1	36.6	51.0	64.5	73.7
North America	18.0	21.7	24.0	36.1	47.6	54.1
Europe	6.0	5.8	9.3	10.4	11.9	14.1
Far East	1.9	2.5	3.3	4.5	5.0	5.5

Sales of Trident Ink Jet Systems and Consumables ($ million)

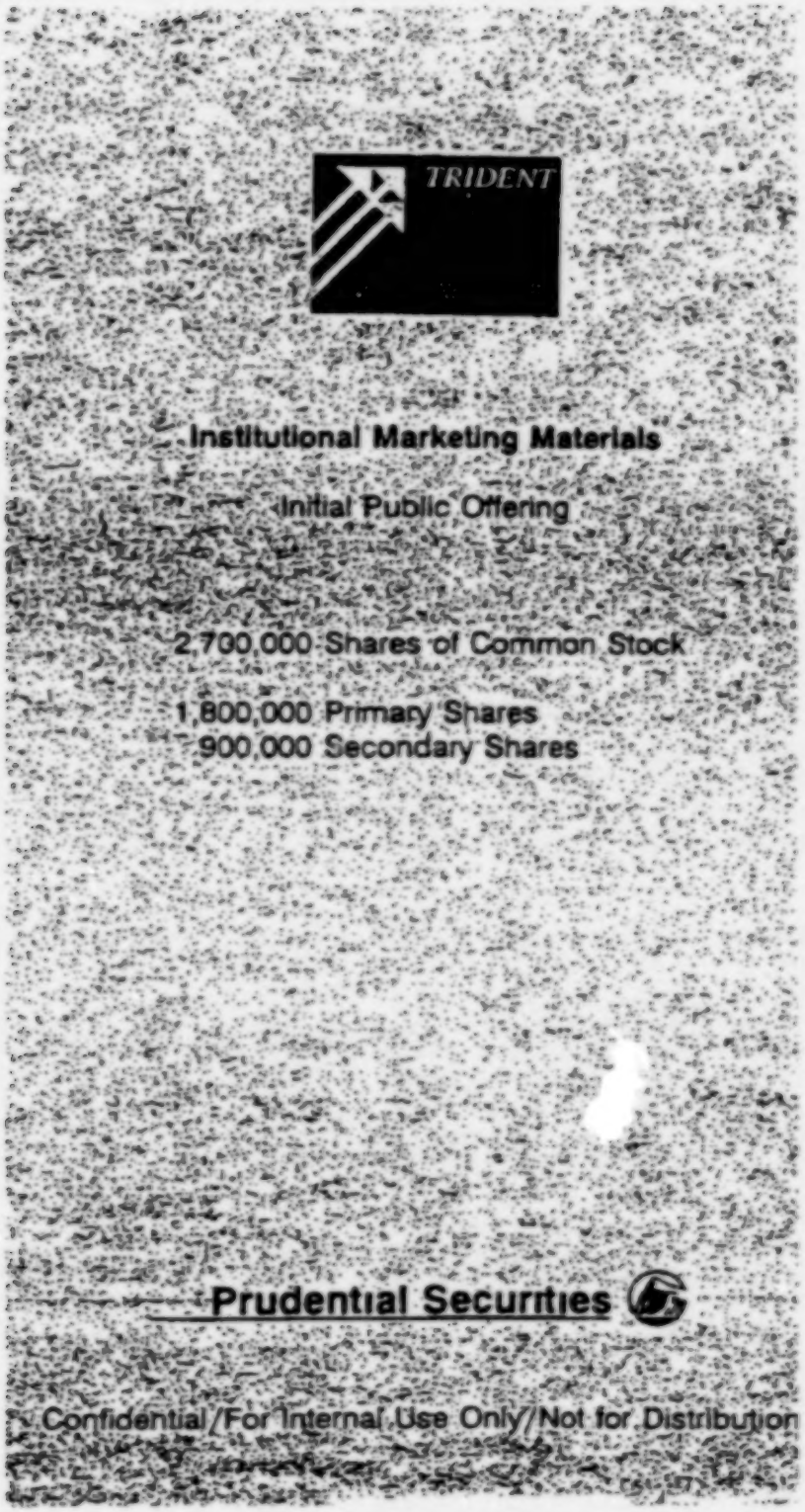
	1996	1997	1998	1999	2000	2001
Total	25.9	30.1	36.6	51.0	64.4	73.7
Imaging Subsystems	15.8	17.7	21.2	33.9	47.0	55.4
Consumables	8.2	10.9	14.0	15.7	16.8	17.6
Other	1.9	1.5	1.4	1.3	0.6	0.7

Challenges for Trident
Trident faces several major challenges including the emergence of less expensive inks and less expensive impulse ink jet print heads.

In order to achieve growth objectives, Trident must capitalize on all of its strengths, continue leading edge product development and broaden its business to new markets and new applications.

CONFIDI
ATTORNEY'S

Exhibit 12


TRIDENT
Institutional Marketing Materials
Initial Public Offering
2,700,000 Shares of Common Stock
1,800,000 Primary Shares
900,000 Secondary Shares
Prudential Securities
Confidential/For Internal Use Only/Not for Distribution

Trident International, Inc.

Institutional Marketing Materials

I. Preliminary Prospectus, dated February 1, 1996

II. Marketing Memorandum

III. Preliminary Roadshow Presentation

IV. Company Roadshow Presentation

V. Comparable Companies

VI. Institutional Holdings of Comparable Companies

* * *

Section IV

Investment Highlights

- Dominant market position focused on industrial applications
- Proprietary technology protected by over 40 patents
- Increased adoption of automated identification systems
- Projected market growth of 40% plus in target carton coding niche
- 37% historical operating margins
- Substantial growth opportunities from new products and markets

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NOT FOR DISTRIBUTION

Exhibit 14

FEBRUARY 13, 1997

MONTHLY MANAGEMENT REPORT FOR JANUARY 1997

cc:
J. Curtis
D. Cowan
R. Cutting
R. Dewing
J. Lee Gaskin
D. Hess
D. Hurst
M. Laughry
R. Rogers
C. Schlosser
A. Stancil
R.H. Van Brunt
S. Yuan

Circulate & Return to MC

D. Sabala	W. Peters	D. Vela
D. Pressley	D. Kretzmann	S. Lacy
H. Dupre		R. Salinas

CONFIDENTIAL
ATTORNEY'S EYES ONLY

TRD 024038

TRIDENT, INC.

CONFIDENTIAL

- There is a competitive feeling in the marketplace relating to Trident's product. This feeling relates around our customer's ability to produce the best possible product to meet customer's needs. Since there are new choices for Trident's technology the end users are shaking the branches to see which products best meets their needs. This is forcing our customers to take a close look at their offerings and address product improvements that are required to be successful. During 1997, Trident should see vast improvements relating to user's friendliness and product functionality. Additionally, the Trident product line, with many of our customers' are no longer a side business but rather a major source of revenues for their company. If this business was ever taken away, these customers would severely suffer. The impact that Trident can dictate on individual customers and/or this market is extremely massive. We are in the driver's seat, at this time. The big question is will the market grow fast enough to allow ourselves to maintain this dominance or will players start dropping off.

- Marsh has taken up things in their organization. They know that the Trident product must be improved in order that they continue their dominance. There is a "no excuse" attitude throughout Marsh.

- BancTec is still going strong. Trident has the opportunity to solidify the Business with BancTec for many years. The management meeting scheduled for March is extremely important in improving the relationship with BancTec. Trident must provide the products that we say we can provide and must be willing to assemble the right resources to help BancTec succeed with our product. We are at a major crossroad with BancTec.

- FoxJet is still going through major growing pains. Trident does not know if FoxJet has the right resources in place to move this small dynamic company into a financially strong mid-size organization. FoxJet claims to be close on two private label deals including Dominio and Lovelaw.

- An agreement with NCR seems today to be closer to reality than it ever has been since the relationship was started. Solidifying the new product pre-production run and allowing NCR to purchase ink directly from Trident has provided the leverage needed to bring this S&L closer to reality.

- Business has started to see improvements in the market. It is unknown if the end user did a "wait and see" attitude knowing that Videojet's 2001 system was being launched or waiting for the AllWrite problems to be corrected or if the market is starting to rebound.

- Videojet has reforecasted their needs for the next 12 months. They have decreased their demands for the 256. This is partly due to the print head purchasing for all of Europe to fall under Cueprint. Orginally, the 256 was to be purchased out of Elkhorn for Europe with the exception of the UK. This has now been changed. Cueprint will purchase the 256 for Europe. This is reflected in their new forecast. Revenue from Videojet during the next 12 months is forecasted at $1.9 million while the forecast for CuePrint is at $2.5 million. There is only a difference of 20 print heads between Elkhorn and Cueprint. Projected ink revenues are as follows: Wood Dale – $174,314, Cueprint – $1,152,540.

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ATTORNEY'S EYES

Exhibit 15

Confidential

Technology Barriers to Entry

Barriers to entry of a competitor into Trident's markets are considerable. Our technology required an initial investment of approximately $20m and at least $10m of on-going R&D and process development. This work resulted in an extensive portfolio of patents and confidential knowhow. All of the impulse ink jet printheads on the market today required similar or higher investments.

The piston type transducer opposite an orifice is a fundamental patent. The advantage of this configuration is that it can provide large volume displacements and high frequency drop generation. It also separates the ink from the piezo material. The draw-back is that channel density is relatively low, although with a similar geometry, Epson has successfully miniaturized the components. Reducing the size also reduces the performance. Additional knowhow and patents relate to static and dynamic flow through the manifold, restrictor and chamber to optimize throughput and pressure oscillations and to minimize crosstalk.

The multi-orifice patent is also fundamental and it enables taller images and higher throughput. Knowhow relates to orifice profiles and spacing limitations, surface finish and manufacturing techniques and qualified suppliers.

The drive waveform is proprietary. A patent on sub-pulsing is important to allow non-porous inks to be jetted. This patent describes the application of a sub-ejection level voltage to the piezo crystal high enough to move the meniscus but low enough not to eject a drop. This stops a film from forming over the orifice.

Variable grey levels using multiple drops that merge in flight or at the same point on the substrate is patented. This will be an important patent for Wide Area printing, but we do not use it today..

Trident possesses a considerable amount of knowhow in the processes used to build a printhead, including chamber plate to orifice plate bonding, attaching and then potting the pistons onto the piezo crystal, preparing the surfaces to wet/not wet as required and various methods of testing.

Ink the ink area, in addition to patents which provide some protection to all of the main inks, the optimization of the ink to the printhead requires intimate knowledge of the printhead operation and performance limits. Chemistries primarily include die and resin technology. Trident employs a staff of ink chemists and works with outside developers. All of the formulations used today are owned by Trident and Trident is capable of their manufacture if required. Development work with a number of outside ink manufacturers is only performed after they agree only to supply the ink the Trident, not to competitors or end users.

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ATTORNEY'S EYES ONLY

Exhibit 16

TRDT: F3Q EPS SHOULD BE ROUGHLY IN-LINE--BUY TRDT FOR A POTENTIAL 67% RETURN TRDT: FROM CURRENT LEVELS

Subject: Trident (TRDT--17 1/4)--OTC
MISC TECH
EPS

July 8, 1997
OPINION
Current: Buy
Prior:
RISK: High

Analysts: Alex Henderson (212) 778-1527
John McPeake (212) 778-8304
Allen Randolph (212) 778-1573

Ind. Div.: -- Yield: -- Shares: 7.3 52-Wk.Range: 25-15

EPS	FY	Year	P/E	1Q	2Q	3Q	4Q
Actual	9/96	$ 0.84		$ 0.19	$ 0.20	$ 0.22	$ 0.24
Current	9/97	$ 1.10E	15.7X	$ 0.24A	$ 0.27A	$ 0.28E	$ 0.31E
Calendar	12/97	$ 1.16	14.9X				
Current	9/98	$ 1.35E	12.8X	$ 0.30E	$ 0.33E	$ 0.35E	$ 0.37E
Calendar	12/98	$ 1.41	12.2X				

Proforma for initial public offering closed on March 1, 1996.

FISCAL 3Q EPS SHOULD SURGE 27% Y-O-Y ON SOLID PRINTHEAD SALES--NEW PRINTHEAD INTEGRATION AT OEMS IS PROCEEDING WELL--BUY TRDT FOR A POTENTIAL 67% RETURN

Despite some intra-quarter stock price turbulence, we think Trident should report a roughly in-line F3Q of $0.27-$0.28 when they likely report their results on July 21st. The First Call EPS estimate "band" currently consists of three $0.28 estimates. The 5%, 29%, mid-May to early June price decline to around the current level was primarily caused by a 4% F3Q revenue ($8.4 million to $8.1 million) and 3% EPS ($0.29 to $0.28) estimate reduction from a competitor whose estimates were already too high. We do not believe this price decline was representative of any meaningful fundamental changes at Trident but rather a reduction in an above-management-guidance estimate. During this same mid-May to early July period, the S&P Industrials gained around 8%. Trident's new printheads are out at the OEMs and getting designed into a number of new products. With TRDT now trading at a whopping 43% discount to the S&P Industrials against 1998 estimates, we think this stock now offers an excellent opportunity for investors to garner returns in excess of 60% over the next 12-18 months. Our 12-18 month TRDT price target of $30 in fact still represents a 6% discount to the S&P Industrials' 1998 IBES estimate multiple of 22.6 and a sharp 40%-45% discount to our estimate of the company's 35%-40% long-term EPS growth rate.

We Expect Revenues To Grow 20%-25% Y-O-Y And 5%-7% Sequentially In F3Q. In F3Q we expect sales to grow about 20%-25% y-o-y to around $8.1 to $8.3 million. The year-over-year $1.4-$1.6 million sales increase should primarily be driven by UltraJet Printhead sales, which is the company's core product line. At this time it looks like the high-margin ink sales could be tracking to a $50,000 to $100,000 shortfall to our projection. In 2Q97 ink revenues made up 35% of Trident's revenues. If ink sales do come in short by this rather nominal figure, F3Q's revenues could be just $100,000 shy of our estimate, or around $8.1 million in the quarter. This kind of a shortfall would represent a mere 2% miss to our revenue number and y-o-y growth of 22% versus our modeled 24%. This level of quarterly ink sales fluctuation is normal and not something that we believe investors should be concerned with. For the full years 1997 and 1998, we conservatively expect Trident to grow revenues by 22% and 30% respectively.

Growth Should Come From Trident's Patented Piezoelectric Printheads, Which Offer A Huge 10:1 Cost Advantage Over Alternative Technologies. New Markets Are Opening Up. In addition to Trident's core UltraJet carton and mail coding market, where the company has an enormous 10:1 cost advantage over peel-and-apply coding, Trident is entering two new markets with their MicroCoder and PixelJet products. About two dozen OEM development kits for these two products have been ordered. These two products should drive the

To: 768	# of Pages:
To: Lou Gagne	From: Rob Rill
Co./Dept.: Trident	Phone #: 212-778-1405
Fax #: 203-778-9660	Fax #:
Comments:	

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EX. 16

TRID 029721

next legs of Trident's growth story, a near $1 billion MicroCoder printhead opportunity in the continuous ink-jet market, and a similar opportunity from the PixelJet printhead in the carton, mailing, wide-format, and fabric printing markets. According to the company, new products utilizing the MicroCoder and PixelJet are currently under development and we should begin to positively impact results by the F1Q98 timeframe. Additionally, new product opportunities in solid ink should give Trident's OEMs the ability to easily print on a wide variety of non-porous surfaces such as glass, plastic, and metal. Solid ink is a potential $500 million plus market opportunity for Trident and gives our 1998 estimates real upside potential.

Volume Printhead Discounts And A Higher T-O-I Printhead To Ink Ratio Should Result In Flat-To-Slightly Down Gross Margins. Trident gives their largest OEM's slight volume discounts (i.e. mid-single-digit), and ramping sales to these customers should result in average selling prices for printheads that are slightly lower than in the year-ago period. Additionally, the percentage of revenues from ink is likely to be lower in F3Q97 versus F3Q96's 31% figure, and sequentially down from 2Q97's 35% of sales or about $2.7 million. For F3Q97 we are modeling gross margins of 64.0%, which would represent a 20 basis point decrease from F3Q96's 64.2% level. We are conservatively modeling gross margins of right around this enviable level through the end of FY98 via ramping printhead volumes and associated discounts.

Operating Expenses Should Lean Towards Research and Development And Selling And Marketing. We expect overall operating expenses to be up 32.2% in F3Q97 to 24% of sales, versus F3Q96 when operating expenses represented 22.4% of revenues. All but about 7% of the total year-over-year $482,000 increase in operating expenses should be driven by a healthy level of R&D and selling and marketing spending. We expect research and development spending to grow at a faster-than-revenues y-o-y rate of about 44% to 10.1% of sales or $835,000. Most of this spending should go towards advanced liquid and solid ink, and solid ink printhead development. Our estimate of a year-over-year 82% increase in selling and marketing expenses should represent a crusade by Trident to work with and recruit new OEMs to develop new products for their core UltraJet and new MicroCoder and PixelJet printheads. Management's excellent attention to costs should be seen in the conservative level of spending on general and administrative expenses, which we estimate will increase by just $35,000 y-o-y in F3Q.

Competition Not Yet A Threat And Ink Pirates Unimportant. At this point Trident sees a few competitors making product claims but few delivering on their promises. Management indicated that ink pirates have kept a low profile thus far but that they are keeping a close eye on any developments in this area.

Prudential Securities has performed underwriting or other investment banking services for Trident. Prudential Securities, Inc. makes a market in the shares of Trident.

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TRID 029722

Exhibit 17

Prudential Securities

Trident International

Company Report

Rating: BUY
TRDT (22 1/2)—OTC

B. Alex Henderson (212) 778-1827
Lisa Bogaty (212) 778-6252
Yang Liu (212) 778-1724

May 24, 1996

SMALL TECH CAP TECH

	Earnings Per Share Fiscal Year Ending							
	6/95*	6/96E*	6/97E	P/E 6/97E	Ind Div	Yield	Shares O/S (Mil.)	52-Week Range
New	$0.51	$0.83	$1.04	21.62	—	—	7.3	23-17
Old								

DJIA: $779.00
S&P 400: 608.72

* Pro forma for the initial public offering. Priced as of the close, May 22, 1996.

Buy Trident, The Technology Leader In The Ink Jet Market

- **Impulse Ink Jet Market Growing 40%—Trident Dominates.** Trident is the technology and market leader in the emerging impulse ink jet market, particularly in industrial applications such as carton coding. The company's core ink jet technology provides superior price/performance as well as flexibility and durability compared with other ink jet printing technologies or alternative printing modalities. Trident dominates this niche, and the technologies of Canon and Hewlett-Packard are not applicable to Trident's industrial areas. The speed, flexibility, image quality, and low cost of impulse ink jet is driving the displacement of continuous flow ink jet, valve jet, pressure-sensitive labels, and preprinted cartons, resulting in 35%-50% growth for impulse ink jet over the next 3-5 years.

- **Strong 30%-Plus Sustainable Revenue Growth With Stable 38%-42% Operating Margins.** Since 1991, Trident's revenues have almost tripled to $17.5 million in FY95. We expect a 50% jump in FY96, and while we are conservatively tapering growth to vicinity of 30% in FY97 and FY98, we firmly believe this leaves plenty of upside for positive surprises given the 40% annual growth we expect in the emerging impulse ink jet market. Gross margins of 60%-plus and operating margins in the 38%-42% vicinity depending on the mix of printheads and consumables should remain stable over time. We forecast earnings pro forma for the equity offering to increase from $0.51 per share in FY95 to $0.83 in FY96, a 66% increase. In FY97 and FY98, we expect $1.04 and $1.30, a 25% annual increase, leaving as much as 10%-20% upside annually for positive surprises.

- **Targeting $28 Over 12-18 Months, A 24% Upside.** At 21.6 times FY97 estimates, we consider TRDT to be undervalued. We are setting a target of 26-27 times forward earnings 18 months out. This yields a 12-18-month target of $28, a 24% upside.

Exhibit 18

BOARD OF DIRECTORS MEETING

Trident International, Inc.

Wednesday, April 24, 1996

Tambrands Inc.

White Plains, New York

Trident Board of Directors Members and Observers:
Robert Anderson - Bear Murray Foster Securities
J. Lee Gagne - Trident, Inc.
Russell Greenberg - Chatfield, Dean
David Hundt - Trident, Inc.
Bruce Johnston - TA Associates
Michael K. Lorelli - Tambrands Inc.
Norman L. Norris - WWKM&Norris
Elaine Pullen - Trident, Inc.
R. Hugh Van Brimer - Trident, Inc.
John J. Egan, III Esq. - Goodwin, Procter & Hoar

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"CONFIDENTIAL"

range of industrial a... ...rams. The Company's impulse ink-jet system ...attributes at competitive print widths. Trident's ...ink-jet printing technology allows end-users to print any c...binations of high quality text, bar codes, and/or graphics directly onto blank shipping cartons as they move down an assembly or production line. Importantly, printed information can be modified (sequential numbers, dates, etc.) as desired, even varies by carton.

TRIDENT HAS CONSIDERABLE MARKET OPPORTUNITY

Ink-Jet Technology is in Early Stages of Adoption for Carton Coding Applications.
To date, ink-jet printers have penetrated less than 25% of the estimated $1 billion global market for carton coding equipment. Overseas, penetration rates are even lower, as many countries are only now beginning to adopt more stringent coding standards to facilitate automation of product management/distribution systems. We believe Trident's worldwide network of more than 70 OEM customers positions the Company to capitalize on the emerging ink-jet market in the U.S. and abroad. Importantly, the Company's OEM network has already proven to be an effective bridge to international markets, which now accounts for 30% of Trident's total sales.

We Foresee Continued Penetration of the Carton Coding Market by Ink-Jet Print Systems . . .
In the carton coding arena, ink-jet printers compete principally with thermal transfer labeling systems. It is our belief, however, that ink-jet printing will rapidly displace thermal transfer labeling based on superior price/performance attributes. Ink-jet print systems sold by Trident's OEMs carry initial purchase price points which are comparable to thermal transfer labeling systems. Beyond that, however, variable costs associated with thermal transfer labeling can be as much as six times greater than those associated with ink-jet printing. Trident has estimated that the typical payback period for a customer converting to its impulse ink-jet technology is less than one year in variable cost savings.

. . . as Impulse Ink-Jet Systems Lead the Way.
According to recent estimates by an independent market research firm, Giga Information Group, worldwide sales of impulse ink-jet products for carton coding applications are expected to expand 45% per year for the next five years to $140 million by 2000. (Market data is based on end-user prices for both hardware and consumables.) This estimated 45% annual growth rate for the impulse ink-jet is more than 3-times that for all ink-jet combined in the same market segment. Giga's estimates reinforce our view that impulse ink-jet systems will not only displace thermal transfer labeling systems in the carton coding arena, but significantly upside upon competing ink-jet systems as well.

Impulse Ink-Jet Should Continue to Invade Markets Traditionally Dominated by Other Technologies.
Trident derives approximately 30% of its revenue from products utilized for applications other than carton coding. These applications include garment printing within the textile industry, check coding within the banking industry, and addressing & sort coding within the postal industry. Traditionally, end-users in these markets have relied upon other ink-jet technologies (such as continuous ink-jet) to meet their printing requirements. As Trident continues to enhance the price/performance positioning of its impulse ink-jet technology, however, we look for the Company to gain meaningful market share gains in these industries.

New Market Opportunities Enhance Growth Prospects.
In March, Trident acquired a non-exclusive license relating to patented solid ink-jet printing technology for use in a number of industrial marking applications. The license will allow the Company to accelerate the introduction of unit coding systems which are capable of printing on non-porous surfaces such as those of individual pens and packages. Within the next 18 to 24 months, Trident solid ink printheads may be integrated into OEM systems for delivery into a several-hundred-million-dollar per year market.

Growth of Installed Base of Printheads Should Escalate Recurring - High Margin - Revenue Stream.
Trident derives approximately 30% of its total sales from high margin consumables, or specialty-formulated ink products. Although certain competitors have recently made claims that their ink products can be utilized with Trident printheads, end-users who elect to use alternative ink products risk violating terms of Trident's drop-flies warranty coverage. At the same time, use of alternative ink products can lead to inferior print performance and/or permanent damage to printheads. While competing ink products may be less expensive than Trident inks (resold through OEMs) we do not believe the price differential is significant enough to offset the associated risks of use such as negation of warranty coverage and/or interruption of a production line due to printer failure. Therefore, we anticipate that ink sales will be a major profit driver as Trident's installed base of printheads continues to expand.

Exhibit 19

EX. 19
Ap 543

3rd Annual
Industrial Ink Jet Printing Briefing

February 24-25, 1999
Renaissance Orlando Hotel

CAP▼

North American Market
Size, Growth & Dynamics

Paul Schoessow - Director
Industrial Marking & Printing Service

CAP Ventures, Inc. • 600 Cordwainer Drive • Norwell, MA 02061
Phone 781 871 9000 • Fax 781 871 3861 • http://www.capv.com

ITW 002980

1999 Projected North American High Resolution Ink Jet Carton Coding Market Shares

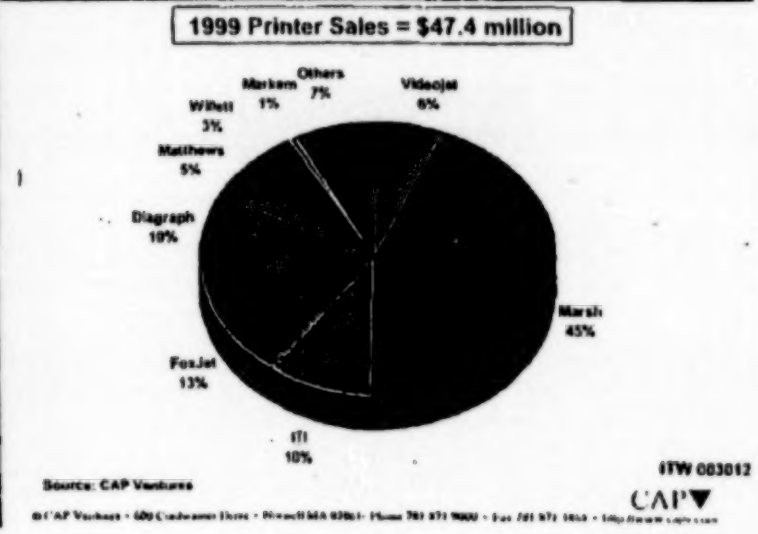


Exhibit 20

Declaration of Thomas G. Barnett

I have personal knowledge of the facts set forth in this declaration and if called upon can and will testify to them in a court of law. The statements below are based on my knowledge of the industry during my tenure as President of Marsh Company,

1) My name is Thomas G. Barnett and I was the President and Chief Operating Officer of Marsh Company (Marsh), which is located in Belleville, Illinois from February 1992 until May 1999.

2) Marsh was the leading manufacturer of ink jet printers for the carton coding market. Marsh manufactures both valve based and Peizo impulse based ink jet systems.

3) Marsh was the largest Original Equipment Manufacturer (OEM) of Trident International, Inc. (Trident) involved in the purchase of "Hi-Resolution" Peizo impulse printheads, ink supply systems, inks and other consumables.

4) Based on my knowledge, Marsh accounted for approximately 40% of Trident's sales to the Hi-Resolution carton coding market.

5) Based on my knowledge, Marsh and other OEMs including Willet, Videojet, Diagraph, Foxjet, ITI, etc. accounted for almost all of Trident's sales of Hi-Resolution Peizo impulse based ink jet systems.

6) Based on my knowledge, there was minimal, if any, competitive products in the Hi-Resolution carton coding market. In my opinion, Trident has enjoyed the enviable position of no real competition in the Hi-Resolution carton coding market.

7) Based on my knowledge of the ink jet industry, Hewlett Packard (HP) does not impose restrictions on re-

filling ink cartridges and there is a large industry built on refilling HP cartridges; thereby, offering consumers with a choice to reduce costs.

/s/ THOMAS G. BARNETT
Thomas G. Barnett
July 13, 2000

Exhibit 21

CONFIDENTIAL

Trident Ink License Policy

Objectives

1. Provide an appropriate return on investment considering the proprietary nature of Trident's technology, the ongoing research and development of proprietary products and the risk attendant to such efforts.
2. Maintain Trident's reputation as a supplier of high quality and value-added products to customers and users.
3. Assure compliance with the antitrust laws and laws of patent misuse.

Existing Products

1. The Ultrajet printhead contains materials which are susceptible to corrosion and chemical attack by incompatable inks leading to reduced printhead performance and/or printhead failure.
2. The Ultrajet printhead and compatible inks are strongly interdependent and their cooperation as elements of a total system are necessary to achieve published and patented performance specifications.
3. The Trident license patent portfolio includes patents covering the Ultrajet printheads, inks used in those printheads and the operation of the printheads and the inks as a system.
4. The Trident inks are specifically designed to work in the Trident Ultrajet printheads and are not therefore staples.
5. The only inks known to work in Trident Ultrajet printheads fall within the scope of the Trident licensed patent portfolio.

6. Trident will continue to require purchasers of Ultrajet printheads to purchase their requirements for ink from Trident with the price of the ink reflecting a royalty for a license under the Trident license patent portfolio while the price of the Ultrajet printheads will remain substantially the same.

New Products

1. While the PixelJet and MicroCoder printheads and the ink used in those printheads remain strongly interdependent to achieve published performance specifications, both the Pixeljet and the MicroCoder are substantially less susceptible to corrosion and chemical attack by the inks used in those printheads.
2. Both the Pixeljet and the MicroCoder pnintheads are the subject of Trident's existing license patent portfolio as well as an expanding patent portfolio directed to the printheads themselves as well as the operation of a system employing the printheads and the inks used in the printheads.
3. Trident's resources will limit the ability to make the wide variety of inks required with the various Pixeljet and MicroCoder product applications.

Exhibit 22

CONFIDENTIAL

Protection of Trident's Consumable Business

Trident has taken various actions and precautions to assure a continued consumables business for Trident. These actions and precautions are outlined below:

A. Ink Patent Portfolio

Trident has obtained and maintained an extensive ink patent portfolio. To the extent possible, Trident has sought and obtained patent coverage with the broadest possible claims for the various inks that Trident's customer use. The claims of these patents are not directed to narrow formulations but rather, in most cases, broad recitations of characteristics and compositions necessary to provide compatibility with Trident printheads while achieving good jetting and marking performance.

B. Ink Supply Patent Coverage

Trident has obtained U.S. patent coverage on the Trident ink supply system in the form of U.S. Patent 5,343,226 ("the '226 patent") and an application still pending in the U.S. Patent & Trademark Office which will provide additional claim coverage. Based on this patent coverage, Trident marks its ink supply containers which include a bottle and valved cap with a notice of a single-use license under the '226 patent of the type sanctioned by the Federal Circuit Court of Appeals in the Mallinckrodt case which forms Attachment A. By using such a license, Trident has a cause of action for patent infringement by a customer or a third party who refills the bottle with non-Trident ink. The patent also gives Trident a cause of action against a third party or customer who makes or sells another bottle with a valved cap covered by the claims of the patent and fills that bottle with non-Trident ink.

C. Sales and License Agreement Requires Use of Trident Ink

A standard Trident Sales and License Agreement is signed by all customers. Under the terms of this agreement, Trident's customers receive a grant of a license to use Trident printheads and other Trident supplied apparatus which is covered by the Trident patents. The license grant is only valid if Trident supplied ink and other consumables are used in or with the patented Trident apparatus. If a Trident customer or a customer of a Trident customer uses non-Trident ink or other consumables, Trident has a case of action for patent infringement against such a customer or a customer of a customer since that activity is unlicensed and filing such a bottle with non-Trident ink infringes. Trident also has a cause of action against anyone selling ink to Trident's direct or indirect customers for inducing a breach of Trident's Sales and License Agreement which requires the purchase of ink and other consumables from Trident.

* * *

Exhibit 23

MARSH COMPANY

MEMORANDUM

17 December 1996

TO: Elaine Pullen

FROM: TG Barnett

RE: Meeting Notes

Please excuse my delay in getting the notes from the meeting completed. I believe the following are the key points we addressed:

1) Overall discussion of Marsh and Trident Goals

   a) Marsh profitability on Hi-Res product line of 10%-15%
   b) Trident market expansion of 100% plus
   c) Trident revenue growth of 50% plus
   d) Long-term business relationship
   e) Marsh control of its ink business
   f) Product differentiation

I believe it is clear that we both understand the importance of the overall business relationship and the fact that we are both committed to growing the Hi-Res business profitably for both parties. Additionally, the benefits of the installed base and ink sales is clear to each party.

2) Marsh's immediate business needs are focused on the de-priming issues we are experiencing with our Hi-Res products. We are working closely with your Team to address these concerns and we appreciate your support in addressing the problems and issues we have identified with a view towards both an immediate and longer-tent solution.

3) License Agreement on the Ink System — You advised that Trident's policy is that customers who elect to use their own source of ink for PixelJet will not be allowed to use an Ultrajet compatible ink system or bottle with the PixelJet. Use of Trident proprietary

technology on non-Trident printheads requires a separate license agreement.

4) Warranty — The recent tone of various correspondence is concerning. We agreed our objective is to determine what the problem is and satisfy the customer first, then sort out the issues with respect to warranty and costs.

5) Independent Ink — You are pursuing this matter and will advise of future developments.

6) Policy on Customer Visits — You advised that customer visits would not be authorized and we agreed with this policy.

7) Discounts — Trident is not willing at this time to increase product discounts beyond the currently published levels, but will consider mutually beneficial development or marketing programs which contribute to reducing Marsh's cost of sales or overhead to support the Trident product.

Additionally, we discussed the following personnel from Marsh and Trident would be involved in future matters.

	Marsh	Trident
Technical Issues		
	Jerry Partlow	Richard Cutting
	Curtis Droege	Jeff Cartin
	Matt Darr	Steve Liker
	Jim Wilson	Cynthia Edgar
	Randy Lewis (ink)	Allan Wells
	Mike Avery (ink)	Al Stanco
	Mark Mendez	
	Peter Lapins	
Purchasing/ Customer Services		

	Catherine Case	Dave Vece
	Margie Faulk	
Forecast Demand/ Annual Budget		
	TG Barnett	Elaine Pullen
	JM King	
Financial		
	Mike Rickert	Leo Gagne
Pricing	JM King	Elaine Pullen

Exhibit 24

TRIDENT, INC.

INTEROFFICE MEMORANDUM

DATE: December 19, 1994

TO: D. Hicks, D. Hundt, M. Laverty, S. Liker, R. Rogers, C. Schlemmer

cc: RHVB

FROM: Elaine Pullen

SUBJECT: Customer Attitude Survey

As some of you may recall, a customer Attitude Survey was conducted by Frank Barbosa of Boyden in January 1992. Several very useful comments were made; both negative and positive, about Trident and our staff.

I have engaged Frank to repeat the survey in January 1995.

Our objectives are similar to those of the original survey with the added goal of benchmarking our progress, or lack of progress, from before.

We will also place a greater emphasis on our International business this time.

Frank will be at Trident on January 6th for the kick-off meeting. He will want to meet with some of you to determine what you think are our strengths and weakness from the customers' viewpoint, any particularly sensitive issues, and what we have changed since the last survey.

Attached is a copy of the original survey. Please review it and note any additions or deletions you would like to see, and what we have done to address the recommendations.

Thank you.

/s/ Elaine Pullen
Elaine Pullen

3.3 KEY FINDINGS

3.3.1 WEAKEST ATTRIBUTE

- LICENSING POLICY
  - RANKED AS THE MOST WEAK ATTRIBUTE
  - 59% OF RESPONSES RATED THIS AREA EITHER AS WEAKEST OR BELOW AVERAGE
  - WEIGHTED POINTS: 2.33

    RELATIVE RANKING: 100%
- COMMENTS
  - TOO COMPLICATED . . . CONCERNS ON LIMITATIONS
  - PROBLEM AREA . . . NEED LAWYERS
  - TOO POLITICAL, LEGAL AND PROTECTIVE
  - NO EXCLUSIVITY
  - STRANGE PHILOSOPHY . . . ONE SIDED
  - SECRETIVE
  - NEED 6-9 MONTHS TO NEGOTIATE
  - THE COMPANY APPEARS PARANOID . . . SLOWS DOWN THE PROCESS
  - EXTEND WARRANTY AFTER REPLACEMENT . . . OR SOME SORT OF CREDIT
  - POLICY STINKS!
  - "TAKE IT OR LEAVE IT" ATTITUDE

Boyden
55 Madison Avenue
Morristown, New Jersey 07960
Telephone: (201) 267-0980
Fax: (201) 267-6172

TRIDENT CORPORATION
CUSTOMER ATTITUDE SURVEY
FEBRUARY 1995

PREPARED BY:

FRANK DARBOSA
BOYDEN CONSULTING
CORP.
FEBRUARY 22, 1995

Worldwide Consultants to Management
Since 1946

- POSITIVE CHANGES
  - LICENSING POLICY . . . LESS RESTRICTIVE . . . CUSTOMERS ACCEPT THE NEED . . . THEY APPEAR TO BE LOOKING FORWARD TO THE POSSIBILITY OF COMPETITIVE INKS
  - ORDER ENTRY . . . MORE RESPONSIVE BUT WITH SOME NEED TO BE MORE FLEXIBLE
  - BILLING ...BETTER
  - DOCUMENTATION ...HAS IMPROVED BUT WITH SOME NEED FOR MORE DETAIL IN ELECTRONICS AND SOFTWARE
  - OVERALL RATING ... IMPROVEMENT WITH OBSERVATIONS OF POSITIVE IMPROVEMENTS OVER LAST 2 YEARS AND BEING AN EXCELLENT COMPANY TO WORK WITH
- BASICALLY NO CHANGE
  - PRODUCT ... PERFORMING WELL . . . NUMBER ONE!
  - TRAINING/SUPPORT . . . TRAINING IS OUTSTANDING AND WELL DONE . . . SOME NEED FOR MORE SUPPORT
- CONTINUED CONCERNS
  - TECHNOLOGIES/FUTURES . . . LESS PRE-MATURE ANNOUNCEMENTS, BUT LESS UNDERSTANDING OF FUTURE DIRECTION . . . STILL SLOW!!
  - PRICING . . . STILL CONSIDERED HIGH FOR HEADS . . . EXCESSIVE FOR INKS

3.3.8 COLLATERAL MATERIALS

- FINDINGS
  - CONSIDERED AS GOOD TO EXCELLENT
  - HOWEVER, MANY OF THE RESPONDENTS WERE SOMEWHAT UNAWARE OF THE MATERIALS
  - APPEARS TO BE A NEED FOR A MORE PRO-ACTIVE INFORMATION CAMPAIGN
  - CHANGES SINCE 1992: EARLIER PERCEPTIONS WERE VERY POSITIVE. CURRENT ATTITUDES APPEAR SOMEWHAT *LESS*. . . PRIMARILY DUE TO NON-FAMILIARITY

3.3.9 LICENSING

- FINDINGS
  - CUSTOMER RELUCTANT, BUT ACCEPT THE NEED
  - CONSIDER IT TO BE TOO COMPLEX, PROTECTIVE AND ONE-SIDED
  - CONCERNS ON "NO BARRIERS" TO OTHERS
  - *CHANGES SINCE 1992*: SIGNIFICANTLY LESS ANNOYANCE SINCE IT IS EASIER TO UNDERSTAND AND IS LESS RESTRICTIVE
- COMMENTS
  - NO BARRIERS TO OTHERS . . . ONE SIDED AND COMPLEX

- I WANT TO USE OTHER INKS
- STINKS! . . . NO LOYALTY .

3.4 SUMMARY COMPARISONS (1995 VS. 1997)

- CUSTOMERS CONTINUE TO FEEL POSITIVE ABOUT TRIDENT
- OVERALL IMPROVEMENT +9.0%
- COMPARISON TO 1993 +19.0%
- INCREASED VOLATILITY . . . INFLUENCED BY PRICING AND LICENSING

	1.0	2.0	3.0	4.0	5.0
	WEAK	BELOW AVG.	AVERAGE	GOOD	STRONG
1992	2%	22%	25%	41%	10%
			66%		
1995	0	7	23%	65%	5
			89%		
1997	2	13	20%	56%	9
			76%		

- APPROXIMATELY 70% RESPONSE RATE

  NO RESPONSE FROM JIM BRINGHAM, PRESIDENT – DIAGRAPH; RICHARD FOX, PRESIDENT-FOXJET; AND HOWARD HILL, PRESIDENT-PRISM

  NO RESPONSE FROM FAR EAST . . . LOW RATE FROM EUROPE

- POSITIVE CHANGES:

  ⇒ THE SELLING PROCESS — CUSTOMERS MORE AWARE OF INCREASED SALES COVERAGE, EXCELLENT FEEDBACK IN EUROPE. SOME CONCERNS IN UNITED STATES THAT SOME CUSTOMER NEEDS WERE EXPLAINED TO SALES HAVE *NOT* BEEN COMMUNICATED

BACK TO HQ. SOME CONCERNS ON SELLING TO "ANYONE".

⇒ TECHNOLOGIES/FUTURES – CUSTOMERS VERY OPTIMISTIC ABOUT THE FUTURE OF THE TECHNOLOGY. TRIDENT HAS THE "BEST" TECHNOLOGY FOR CARTON CODING. SOME CONCERN THAT TRIDENT MIGHT COMPETE DIRECTLY WITH A SYSTEMS PRODUCT TO END USERS. NEED MORE NEW PRODUCTS.

⇒ COMPETITION – NOT AS ACTIVE AS IN EARLIER SURVEY. SOME RUMORS OF LASER/INK FOG. CUSTOMERS HOPING FOR COMPETITION. INK PIRATES COMING.

- NEGATIVE CHANGES

⇒ LICENSING POLICY – TOO RESTRICTIVE, PARTICULARLY USE OF OTHER INKS AND RIGHTS TO DESIGN IMPROVEMENTS.

⇒ PRICING – HEADS TOO EXCESSIVE, ALSO INKS. NEED FOR MORE DIFFERENTIATION BETWEEN SMALLER AND MAJOR ACCOUNTS.

⇒ TRAINING & SUPPORT – STILL EXCELLENT BUT CUSTOMERS USING LESS.

⇒ WARRANTY – ALTHOUGH RELATIVE SCORE REMAINED THE *SAME* SINCE LAST SURVEY, *CONSIDERABLE COMMENTS* WERE RECEIVED WHICH WOULD SUGGEST A NEED FOR POSSIBLE CLARIFICATION.

- BASICALLY NO CHANGE

  ⇒ PRODUCT – MEETING PERFORMANCE EXPECTATIONS. CONCERNS ON PRIMING AND WANTING MORE "RUGGED" DESIGN. PRODUCT TOO SENSITIVE. NO COMMENTS ON PREMATURE RELEASES.

  ⇒ CONTINUED POSITIVE RESPONSES

  CUSTOMER NEEDS "VERY RESPONSIVE"

  PRODUCT DOCUMENTATION "WELL DONE"

  COLLATERALS "WELL DONE"

  ORDER ENTRY "VERY RESPONSIVE"

  SHIPMENT "ON SCHEDULE"

  REPAIR "EXCELLENT"

  OVERALL COMMUNICATIONS "PROFESSIONAL AND GOOD PEOPLE"

3.5.2 PRODUCT

- 1997 FINDINGS

  ⇒ MEETING PERFORMANCE EXPECTATIONS – MORE STABLE PRODUCT

  ⇒ CONCERNS ON PRIMING

  ⇒ NEED FOR MORE RUGGED DESIGN – TOO SENSIITIVE

  ⇒ NO COMPETITION

  ⇒ NO COMMENTS ON PREMATURE RELEASES

- 1997 COMMENTS

- ⇒ PRODUCT PERFORMING BETTER THAN EXPECTED
- ⇒ PERFORMING BETTER THAN 4 YEARS AGO
- ⇒ THERE ARE NO ALTERNATIVES – NO COMPETITION
- ⇒ START-UP PROBLEMS, TOO SENSITIVE, PROBLEMS IN HOSTILE ENVIRONMENT, NEED TO RUGGEDIZE
- ⇒ SOME PROBLEMS WITH INKS, HIGH INK USAGE, CARBON PROBLEMS
- ⇒ TRIDENT CAN'T GIVE ANSWERS ON INK CONSUMPTION RATES
- ⇒ FIELD FAILURE RATE 8% - NEED MORE ROBUST
- ⇒ SOME PROBLEMS WITH ALL WRITE
- ⇒ PERFORMANCE CAN RANGE, DEPENDS ON APPLICATION
- ⇒ NO NEGATIVE COMMENTS ON PREMATURE LAUNCH

3.5.3 <u>TECHNOLOGIES/FUTURES</u>

- 1997 FINDINGS
  - ⇒ CUSTOMERS VERY OPTIMISTIC ABOUT THE FUTURE OF TECHNOLOGY
  - ⇒ SOME CONCERN THAT TRIDENT MIGHT COMPETE WITH TOTAL SYSTEM TO END USER
  - ⇒ NEED NEW PRODUCTS
- 1997 COMMENTS

- ⇒ NEED FOR GREATER THROW DISTANCE, QUICKER DRYING INK, RUGGEDIZE, AND CORRECT PRIMING PROBLEMS
- ⇒ ORIGINAL PRODUCT DID NOT MEET UPC SPECIFICATION
- ⇒ EXCELLENT FOR QUALITY BAR CODING
- ⇒ PRODUCT IS IMPROVING
- ⇒ WILL BE IMPACED BY "LASER" SYSTEM THAT APPLIES TONER INK BY AIR LASER STREAM
- ⇒ SOME COMMENTS THAT TECHNOLOGY HAS "PEAKED"
- ⇒ EXCELLENT CORE TECHNOLOGY, CAN GROW INTO NEW APPLICATIONS
- ⇒ HIGHLY PRICED HARDWARE AND INK
- ⇒ NEED MORE NEW PRODUCTS
- ⇒ CUSTOMERS HAVE MADE SPECIFIC RECOMMENDATIONS, FEEDBACK?

3.5.4 <u>COMPETITION</u>

- 1997 FINDINGS
  - ⇒ NOT AS ACTIVE AS IN 1995 STUDY
  - ⇒ RUMORS OF LASER/INK FOG
  - ⇒ INK PIRATES ARE COMING
  - ⇒ CUSTOMERS HOPING FOR COMPETITION
- 1997 COMMENTS

⇒ TRIDENT ON "TOP", NO COMPETITORS FOR THEIR APPLICTION

⇒ LIMITED COMPETITION, SPECTRA GOOD BUT NO MARKETING

⇒ IF COMPETITION COMES, WILL USE AS A LEVER AGAINST TRIDENT

⇒ COMPETITION COMING WITH HOT MELT INKS

3.5.5 CUSTOMER NEEDS

- 1997 FINDINGS

  ⇒ CONTINUES TO BE VERY RESPONSIVE COMPANY

  ⇒ SOMETIMES TOO ARROGANT

- 1997 COMMENTS

  ⇒ SOMETIMES WILL NOT ADMIT TO PROBLEMS

  ⇒ RESPONSE HAS IMPROVED, DEPRIMING PROBLEM

  ⇒ WHY IS THE PRICE OF 16 JET HEAD MORE EXPENSIVE THAN 32 JET?

  ⇒ TRIDENT SOMETIMES WILL MAKE PRODUCT CHANGES WITHOUT WARNING CUSTOMERS

  ⇒ TOOK TOO LONG TO CORRECT ALL WRITE PROBLEMS

  ⇒ LOTS OF SALES CALLS, NO FOLLOW-UP ON BIG ISSUES

  ⇒ SOMETIMES DIFFICULT TO GET RIGHT ANSWER

⇒ SOMETIMES NOT UP FRONT-LEGAL ISSUES

⇒ NEED FOR BETTER RESPONSE IN ENGLAND

⇒ MIKE LAFERTY IS GREAT – U.S. IS SLOWER

3.5.9 LICENSING

- 1997 FINDINGS
  - ⇒ TOO RESTRICTIVE
  - ⇒ CONCERNS ON USE OF OTHER INKS AND OWNERSHIP OF DESIGN IMPROVEMENTS
- 1997 COMMENTS
  - ⇒ TOO RESTRICTIVE, BUT OK IF ALL TREATED EQUAL
  - ⇒ GETTING MORE FLEXIBLE, PARTICULARLY ON USE OF INKS
  - ⇒ SHOULD BE MORE FLEXIBLE FOR MAJOR CUSTOMERS
  - ⇒ WHAT WILL TRIDENT DO WHEN PIRATES APPEAR?
  - ⇒ WHEN CUSTOMER MAKES A DESIGN IMPROVEMENT, TRIDENT WANTS TO PATENT
  - ⇒ WHY NOT A CERTIFICATION PROCESS ON CUSTOMER DEVELOPED INK?
  - ⇒ CONCERNS ON SELLING TO COMPANIES WITH BAD SYSTEMS

3.5.10 PRICING

- 1997 FINDINGS
  - ⇒ PRICES ON HEADS AND INKS ARE TOO EXCESSIVE
  - ⇒ NEED FOR MORE DIFFERENTIATION BETWEEN SMALLER AND MAJOR ACCOUNTS
- 1997 COMMENTS
  - ⇒ VERY STEEP DIFFERENCE; 8X VS. 3X HEAD
  - ⇒ HEAD COST IS 66% OF TOTAL SYSTEM COST
  - ⇒ DOUBLE PRICE FOR 2X ORFICES??
  - ⇒ PIXEL JET; 16 CHANNELS IS TOO EXPENSIVE
  - ⇒ PRICE DIFFERENTIAL AND VOLUME DISCOUNTS HAVE IMPROVED, BUT NOT ENOUGH
  - ⇒ INK IS TOO EXPENSIVE
  - ⇒ 256 VS. 96; WHY 2X PRICE?
  - ⇒ 256/32 IS TOO HIGH
  - ⇒ INK PRICES AT MERCY OF TRIDENT

3.5.11 ORDER ENTRY

- 1997 FINDINGS
  - ⇒ CONTINUES TO BE CONSIDERED AS GOOD – SOME BUGS BUT FEW PROBLEMS

3.5.12 SHIPMENTS

- 1997 FINDINGS

- ⇒ STILL CONSIDERED GOOD, TIMELY
- ⇒ "QUICK PLAN" APPEARS TO BE HELPFUL

- . COMMENTS
  - ⇒ LEAD TIMES TOO HIGH, NEED BETTER RESPONSE FOR EMERGENCY
  - ⇒ MORE FLEXIBLE LATELY
  - ⇒ SOME CONFUSION, CHANGE IN DEFINITION OF "REQUEST DATE" VS. "SHIP DATE"

3.5.13 WARRANTY

- 1997 FINDINGS
  - ⇒ ALTHOUGH RELATIVE SCORE IMPROVED OVER LAST SURVEY, CONSIDERABLE COMMENTS WERE RECEIVED WHICH MIGHT SUGGEST A NEED FOR SOME STUDY

4.0 CONCLUSIONS

- CUSTOMERS GENERALLY FEEL THAT TRIDENT IS A *SOLID* AND *WELL* RESPECTED COMPANY
- MOST CUSTOMER OPERATIONAL INTERFACES ARE RATED *GOOD* TO *STRONG*
- *CHANGES* IN ATTRIBUTES SINCE 1995 SURVEY:

POSITIVE	NEGATIVE
SELLING PROCESS	LICENSING POLICY

TECHNOLOGIES/FUTURES
COMPETITION

PRICING
TRAINING & SUPPORT
(REDUCED USE?)

- WARRANTY/REPAIR (CONSIDERABLE QUESTIONS?)

- CUSTOMERS GENERALLY APPEAR POSITIVE ABOUT THE TECHNOLOGY, BUT HAVE CONCERNS ON *PRICING* AND *LICENSING* POLICY. THEY WANT COMPETITION AS A LEVER AGAINST TRIDENT. NO SIGNIFICANT HARDWARE COMPETITION FOR *CARTON CODING*, HOWEVER, IT IS EXPECTED IN THE NEAR TERM. INK PIRATES WILL TARGET MAJOR CUSTOMERS.
- *TRAINING* AND *SUPPORT* WAS SOMEWHAT NEGATIVE. HOWEVER, WELL REGARDED BUT POSSIBILITY THAT CUSTOMERS ARE TRAINING MORE OF THEIR OWN.
- AREAS OF POSSIBLE CONCERN IN *WARRANTY* AND *REPAIR*. AS INSTALLED BASE GROWS, THIS WILL BE AN ATTRACTIVE SOURCE OF *REVENUE* AND *PROFIT*.
- PRODUCT PERFORMANCE APPEARS TO MEET GOALS. FEW COMMENTS ON PREMATURE RELEASES OR NON-PERFORMANCE. CONCERNS ON PRIMING PROBLEMS - NEED FOR MORE USER FRIENDLY AND RUGGED DESIGN. CUSTOMERS ANTICIPATE A BROADER RANGE OF PRODUCTS AND INKS.
- CONTINUED NEED TO ANTICIPATE AND COUNTER PROBABLE COMPETITION. NEED FOR *HEAD COST* REDUCTION AND EXPECT

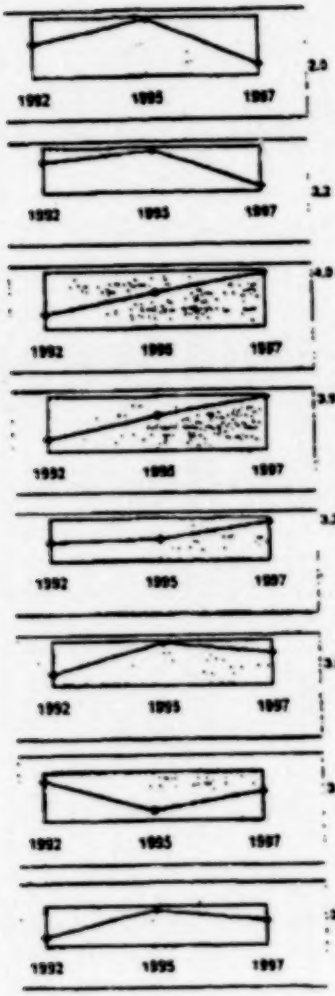
INK PIRATES TO TARGET MAJOR CUSTOMERS.

Skott/Edwards Consultants
1776 On The Green
Morristow, NJ 09760
Telephone: (201) 644-0990
Fax: (201) 644-0991

TRIDENT CORPORATION
CUSTOMER ATTITUDE SURVEY
MARCH 1997

PREPARED BY:
FRANK BARBOSA
SKOTT/EDWARDS CONSULTANTS

APRIL 1, 1997



LICENSING POLICY

* DECLINE - too restrictive
* Concerns on other inks and ownership of design improvements

PRICING

* Prices for heads and inks are excessive
* Need for greater differences for major accounts

ORDER ENTRY

* Continues to IMPROVE
* Rated as Good, few bugs

SHIPMENTS

* Continued improvement
* Rated as Good, quick plan a help - need for shorter interval for emergency

WARRANTY/REPAIR

* Rated as Good
* Considerable comments - concern?
* Different policy: US vs. Europe

BILLING

* Continues as Good

OVERALL COMMUNICATIONS

* Continues as Good
* Great company

OVERALL COMPANY RATING

* Continues as very good
* Strong/solid company

CONFIDENTIAL

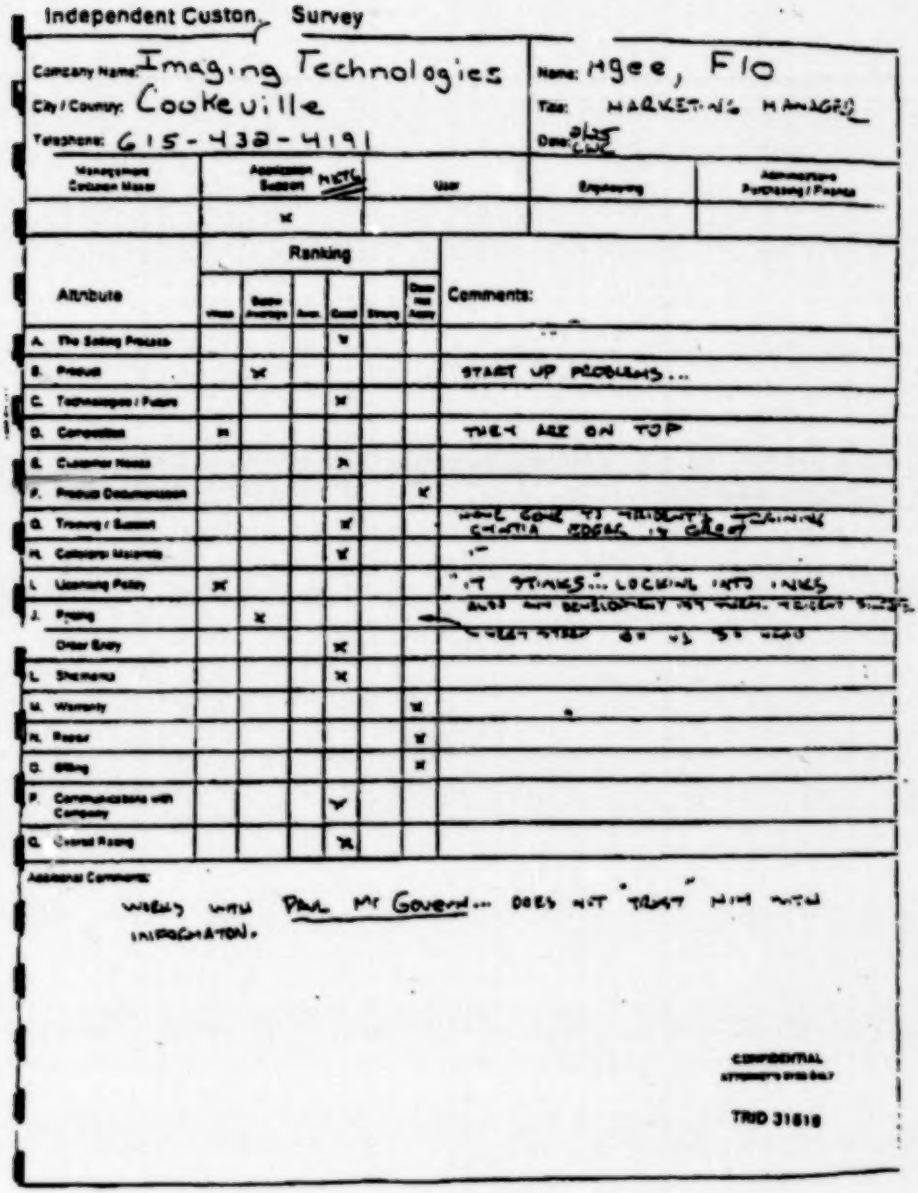
TRD 33345

Skott/Edwards Consultants
1776 On The Green
Morristow, NJ 09760
Telephone: (201) 644-0991
Fax: (201) 644-0991

TRIDENT CORPORATION
CUSTOMER ATTITUDE SURVEY
MARCH 1997

PREPARED BY:
FRANK BARBOSA
SKOTT/EDWARDS CONSULTANTS

APRIL 1, 1997



Independent Custon Survey

Company Name: Imaging Technologies
City / County: Cookeville
Telephone: 615-432-4191

Name: Hgee, Flo
Title: MARKETING MANAGER
Date: 2/25/94

Management Decision Maker	Application Support MKTG	User	Engineering	Administrative Purchasing / Finance
	X			

Attribute	Ranking: Weak	Below Average	Aver.	Good	Strong	Does not Apply	Comments:
A. The Selling Process				X			
B. Product		X					START UP PROBLEMS...
C. Technologies / Future				X			
D. Corporation	X						THEY ARE ON TOP
E. Customer Needs				X			
F. Product Documentation						X	
G. Training / Support				X			HAVE SOME VI VENDORS' TRAINING CLASSES EDGAR IS GREAT
H. Company Materials				X			
I. Licensing Policy	X						"IT STINKS"... LOCKING INTO LINES
J. Pricing		X					AND DEVELOPMENT KIT WHEN VENDORS CHANGE OS VI'S IS NEED
Other Entry				X			
L. Shipments				X			
M. Warranty						X	
N. Repair						X	
O. Billing						X	
P. Communications with Company				X			
Q. Overall Rating				X			

Additional Comments:

WORKS WITH PAUL MC GOVERN... DOES NOT "TRUST" HIM WITH INFORMATION.

CONFIDENTIAL
ATTORNEY'S EYES ONLY

TRID 31818

* * *

1992 CUSTOMER ATTITUDE SURVEY

COMPANY: CUEPRINT	PERSON CONTACTED: COLEMAN. TONY
CITY/STATE: ENGLAND	TITLE: MANAGING DIRECTOR
TELEPHONE NUMBER: 011 44 276 69TT30	DATE: 3/2 WAC, 47
	Category: DM / USER / ADMIN

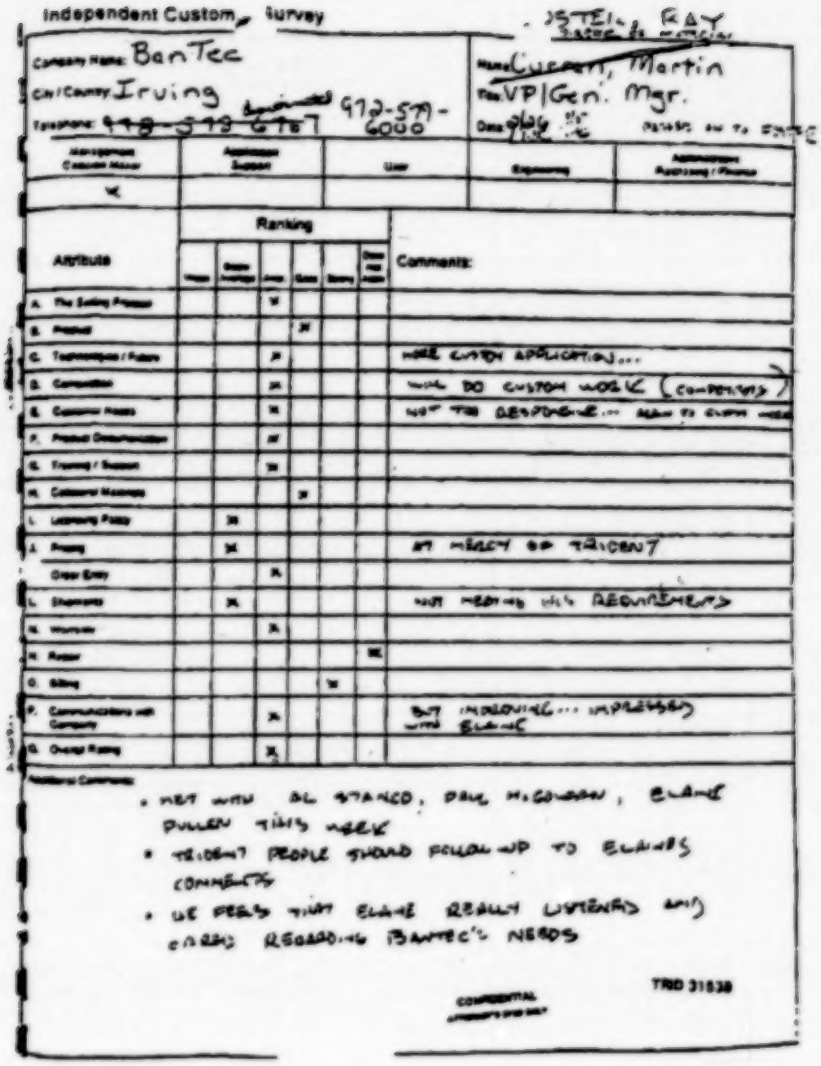
ATTRIBUTE	RANKING 1 = LOWEST / 5 = HIGHEST 1	2	3	4	5	NOT APPLIC	COMMENTS
A. Selling Process						X	CAN'T REMEMBER
B. Product				X			RELIABLE PERFORMANCE.. CAN'T MAKE UP THEIR MIND - AFTER
C. Technology/Futures						X	BUT CONFUSING INFORMATION
D. Competition						X	- MANY PEOPLE THINK.. BUSINESS MAKE BRAND SUCCESS..
E. Customer Needs						X	- NEEDING SIGNIFICANT TIP
F. Product Documentation				X			
G. Training/Support				X			NOT USED.. THINKS VIDEOS
H. Collateral Materials				X			ARE MIXED IS GOOD
I. Licensing Policy			X				THEY LIKE WHAT IT
J. Pricing			X				VERY HIGH, HEAD & INK
K. Order Entry				X			BETTER NOW
L. Shipments				X			8 WEEK LEAD TIME ELSE:
M. Warranty/Repair				X			THEY HAVE NOT TESTED..
N. Billing		-		X			
O. Communications w/Co.				X			KNOW BLAINE / NUGH
P. Overall Rating				X			GOOD COMPANY

ADDITIONAL COMMENTS: - DESIGN S/W & HARDWARE...
- 85 MILLION ROLLED CONTRACT... STAMP CANCELLATION
- 4 HEADS WITH GOV'T MAIL -
WHAT TO DO WITH OLD HEADS?
PLUS OVER CAUTIONS... APOLLO MODEL, BAR CODE... WIDE WIDE - SECURITY DEVICE
[illegible] MODEL

CONFIDENTIAL ATTENDEE'S EYES ONLY

Changes from 1992 Survey: 4 1/2 YEARS WITH TRIDENT... JUST LAUNCHED NEW PRODUCTS IN LAST 18 MO's.
+ APOLLO WIDE 2" HEAD

TRID 31830



Independent Custom Survey

JSTEIN, RAY
Sales Representative

Company Name: BanTec
City/County: Irving
Telephone: ~~972-579-6767~~ 972-579-6000

Name: Curran, Martin
Title: VP/Gen. Mgr.
Date: 9/29/92

PLEASE FAX TO ESTEE

Management Decision Maker	Application Support		User	Engineering	Application Planning / Finance
X					

Attribute	Ranking: Poor	Below Average	Average	Above	Strong	Does not Apply	Comments:
A. The Selling Process			X				
B. Product				X			
C. Technologies / Future			X				MORE CUSTOM APPLICATION...
D. Competition			X				WILL DO CUSTOM WORK (COMPETING)
E. Customer Needs			X				NOT TOO RESPONSIVE... SEEM TO CUSTOM WORK
F. Product Differentiation			X				
G. Training / Support			X				
H. Customer Relations				X			
I. Leadership Policy		X					
J. Pricing		X					AT MERCY OF TRICENT
Order Entry			X				
L. Shipments		X					NOT MEETING THEIR REQUIREMENTS
M. Warranty			X				
N. Repair						X	
O. Billing					X		
P. Communications with Company			X				BUT IMPROVING... IMPRESSED WITH BLAINE
Q. Overall Rating			X				

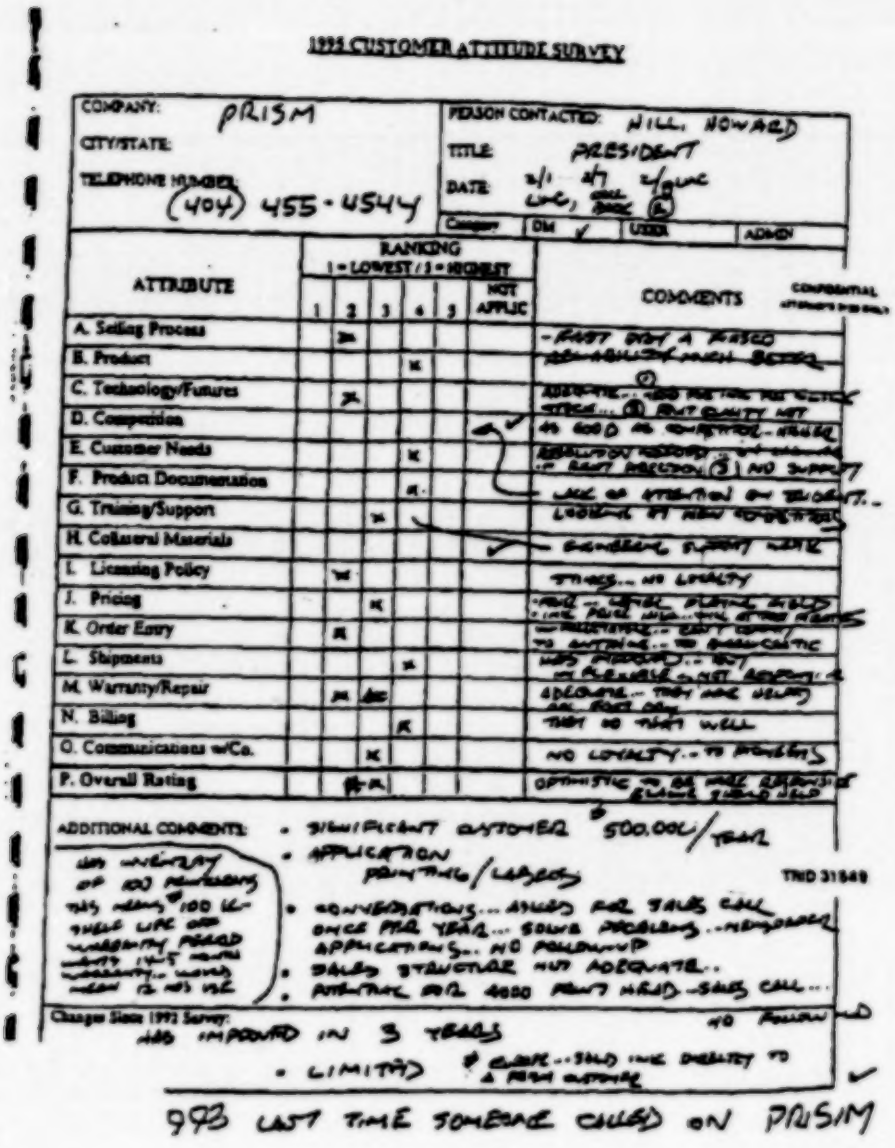
Additional Comments:

- MET WITH AL STANCO, DALE HUGOBOOM, BLAINE FULLER THIS WEEK
- TRICENT PEOPLE SHOULD FOLLOW UP TO BLAINE'S COMMENTS
- WE FEEL THAT BLAINE REALLY LISTENED AND CARES REGARDING BANTEC'S NEEDS

TRD 31538

CONFIDENTIAL

Ap. 575



1992 CUSTOMER ATTITUDE SURVEY

COMPANY: PRISM
CITY/STATE:
TELEPHONE NUMBER: (404) 455-4544
PERSON CONTACTED: BILL HOWARD
TITLE: PRESIDENT
DATE: 2/1 4/7 2/91/92 LMC, call back (A)
Category: DM ✓ USER ADMIN

ATTRIBUTE	RANKING 1=LOWEST / 5=HIGHEST 1	2	3	4	5	NOT APPLIC	COMMENTS (CONFIDENTIAL)
A. Selling Process		2x					- FIRST TIME A PERSON
B. Product				K			
C. Technology/Futures		2x					ADEQUATE... (2)
D. Competition						✓	AS GOOD AS COMPETITION - HIGHER
E. Customer Needs				K			(3) NO SUPPORT
F. Product Documentation				4.			
G. Training/Support			3x				
H. Collateral Materials						✓	
I. Licensing Policy		1x					
J. Pricing			K				
K. Order Entry		K					
L. Shipments				4x			
M. Warranty/Repair		2x	4x				
N. Billing				K			
O. Communications w/Co.			K				
P. Overall Rating		2x					

ADDITIONAL COMMENTS:
- SIGNIFICANT CUSTOMER $500,000/YEAR
- APPLICATION PROMOTING / LEADER
- CONVERSATIONS... ASKED FOR SALES CALL ONCE PER YEAR... SOME PROBLEMS... NEW/OLDER APPLICATIONS... NO FOLLOWUP
- SALES STRUCTURE NOT ADEQUATE...
- POTENTIAL FOR 4000 PRINT HEAD SALES CALL...

TRID 31549

Change Since 1992 Survey: NO FOLLOW UP
- ADD IMPROVED IN 3 YEARS
- LIMITED # CLOSE... SOLD INC. ABILITY TO A NEW CUSTOMER

993 LAST TIME SOMEONE CALLED ON PRISM

Exhibit 25

March 10, 1999

Elaine Pullen, President
Trident International

Dear Elaine:

I are writing regarding the issues surrounding third party ink suppliers and the critical situation we face. I have recently received several inputs from my distributors and other sources and some facts which I will relate to you below. My conclusion is that ITI can no longer continue to talk about possible actions, but rather we must now take action.

Two key developments have occurred that we have now seen in fact. Third party suppliers are selling inks to end users as low as $119 per bottle in single quantifies. This translates to distributor pricing under $80 per bottle and OEM pricing below $50 to allow for distributor margins. Marsh, as you said to me, has been selling their own ink in violation of their agreement with Trident, and at substantially lower prices. While this had supposedly been stopped. I do not believe they have truly stopped. One source this week stated Marsh reps claiming the ink was their product, not Trident, at $169 per bottle to the end user — a reduction of $100 per bottle to that customer. Some of the results from the performance of these inks has been satisfactory or better than Trident in that some are blacker and preferred on that fact alone.

ITI must be able to respond to these low price incursions directly. Ink is about one third of our business and, hence, our margins. We cannot survive without that business. In order to lower our prices to a sufficient level to compete and retain our ink business, I see three alternatives. We can (a) lower our margins on Trident ink so we do not violate our agreement with Trident but at unacceptable margins; (b) obtain third party ink in violation of our agreement with Trident; or (c) Trident can meet the competition with a competitively priced ink. Only the third option keeps us working together and obtaining the margins that the market will allow. Trident must accept enough of the burden of reduced margins to keep its OEMs competitive. ITI will be forced to move to a third party ink very soon in order to survive without a satisfactory response from Trident. Without that support, we are forced to go to an alternate source in order to remain in business. We have been approached numerous times recently by third party ink suppliers with attractive pricing as mentioned above, but have always honored out commitment with Trident, in spirit and in letter.

My board of directors has requested to know the current official position between Marsh and Trident, backed by appropriate documentation, as I do believe the reports from the field that Marsh is actively selling their own ink in violation of the same agreement we have with Trident on this point. Is Trident taking action to force Marsh to cease and desist marketing and selling their own brand? What are the consequences to Marsh if they have not or do not cease? What are the results and outlook on these and other Trident legal initiative against other third party suppliers?

Elaine, Trident has be an excellent partner for ITI. We wish to retain that strong relationship. However, we now need your immediate and direct action to assure that Trident OEMs can remain competitive in this vital part of our mutual business. I honestly do not believe that stopping Marsh is the

right answer. The third parties will force the price of ink down inevitably. Hence, that is the action we need to address.

I will be out of town the week of March 12, 1999. I will be checking my voice mail from time to time and can call if needed. I will be eagerly looking forward to your reply.

Best regards,

/s/ LOYD TARVER
Loyd Tarver
President/CEO

Exhibit 26

Mohawk Company
738 Wilson St.
Santa Rosa, CA 95401
(707) 527-5757
Fax (707) 527-1745
(800) 344-1881

Mr. Robert A. Denafrio
Business Manager – Americas
TRIDENT INTERNATIONAL, INC.
1480 Renaissance Dr., Suite 105
Park Ridge, IL 60068

Dear Bob:

It was good to see you again at the WearPack Show in Anaheim. Although the Show was a major disappointment to me in terms of attendance and "live" prospects, it was a good warmup for the Las Vegas Show in October, and it did give me a chance to get a handle on what we can expect by way of price competition on ink from the "prints".

Enclosed is a copy of the legal opinion I obtained from Independent Ink which they give to people like myself to convince them that there is no real risk to them in using their ink. Perhaps the document will give you some insight as to the line of attack they are taking. In any event, I hope it will help you see the very real threat we face of losing our ink business unless we have the flexibility to change our price structure. Ultimately, it comes back to your pricing to your OEM customers and I know you are aware of the anxiety we all feel in that regard.

I also want to use this letter to repeat my proposal to you at the Show that Trident participate with Mohawk and ITI in a

printhead seminar out here on the West Coast. As new printhead technologies come on the scene, I think you would directly benefit from greater awareness and understanding of your technologies and your printheads. We would use this event/those events to educate our existing and prospective customers about the design and functioning of the heads and set the stage for a follow-on event that would give them hands-on experience in troubleshooting and, perhaps, even repairing of the heads. If nothing else, a better understanding about the Trident heads would help customers rationalize improved care and maintenance programs that would improve the operation of the heads and inject a positive attitude about the technology. Too many customers now have a negative view of high resolution technology because of depriming problems and the high incidence of costly breakdowns.

There are many steps we can take to counteract the above developments, but nothing would be more important than to have Trident involved with us building a base of confidence about the technology. I would be glad to discuss this further with you if you think it would be worthwhile from Trident's standpoint. A trial, one-shot program might help you to evaluate whether or not regular events of this type would be worthwhile for you.

Best regards,

/s/ Fritz J. Moennighoff
Fritz J. Moennighoff

Exhibit 27

TRIDENT INTERNATIONAL, INC.

INTER-OFFICE MEMORANDUM

DATE: January 22, 1999

TO: File

Cc: Valerie Lapinski, Andrew Borg, Don Hicks, Bob Donofrio, Norman Norris

FROM: Elaine A. Pullen

SUBJECT: *Visit Report: Videojet Systems Intl., January 21, 1999*

CONFIDENTIAL

Present:

Craig Bauer	President & CEO, VSI
Tom Barnett	President, Marsh Co.
Paul Witt	Director, Global Accounts, VSI
Valerie Lapinski	President, Dynatec
Elaine Pullen	President & CEO, Trident

Purpose:

To discuss resolution of Marsh/Videojet's breach of contract due to use of Marsh manufactured non-Trident ink in Trident printheads.

Discussion:

Tom Barnett repeated that he is only selling Marsh ink in either new systems or to win back lost accounts. We know this to be untrue. A Marsh distributor and two other OEM customers have confirmed that Marsh's distributors are being provided with an incentive to convert the installed base of both Marsh and other Trident OEM's systems. Tom continues to allege that his action was necessary to maintain profit-

ability and that Trident has failed to either prevent Graphic Controls from selling third party ink, or to offer Marsh an acceptable price concession on Trident ink. Tom claims that his action was determined only after negotiation failed. We also know this to be untrue as the ink development started at least three months before discussions on a new agreement commenced. Tom also reluctantly agreed that a price increase is planned for Trident ink in April. Valerie again stated that ITW has considerable legal resources as compared to Trident and that they have started a thorough legal review and will take appropriate action to stop Graphic Controls.

Valerie also stated again that ITW does not allow contracts to be breached and although our desire is to avoid a legal action, an injunction and damages are the likely outcome. ITW would also, if pressed, discontinue the supply of printheads to Videojet and Marsh.

Trident is agreeable to Marsh using a differentiated bottle but not to a non-Trident ink being used.

Valerie requested a sample bottle of Marsh ink and the ink formula to allow Trident to estimate the cost of producing them for Marsh. We also reminded Marsh that we have rights to the ink under the agreement, which appeared to take Tom by surprise. He has clearly not examined or interpreted the grant back properly and is under the impression that only patents are granted to Trident, not confidential or proprietary designs, which is wrong. Marsh agreed to send the bottle and formula ASAP. Trident agreed to prepare a proposal covering only the issues directly related to maximizing and protecting the ink business for both parties. Time frame to present a proposal is 2 weeks after we receive the ink.

I asked Tom how we should handle warranty claims for heads now that they may contain non-Trident ink. Tom believes that our warranty cover is minimal anyway except on new heads out of the box, and the three year CP/OP warranty. Marsh tests at incoming inspection with solvent, there-

fore they believe these heads should still be covered. I will check warranty claim history.

Videojet has successfully prevented Graphic Controls form [sic] copying their ink. Craig agreed to look up the nature of the settlement and provide the information to Valerie.

Finally, Videojet and Marsh were asked to stop selling their own ink while we negotiate an agreement. They agreed to discuss it and let us know their decision early next week.

/s/ Elaine

Exhibit 28

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

INDEPENDENT INK, INC., a California corporation Plaintiff vs. TRIDENT, INC., believed to be A Connecticut corporation, And DOES 1 through 50, Defendants. TRIDENT, INC., a Connecticut corporation Counterclaimant, vs. INDEPENDENT INK, INC., a California corporation, and DOES 1 through 10 Counterdefendants.	CASE NO. CV98-6686 NM (CWX)

THE DEPOSITION OF THOMAS BARNETT

St. Louis, Missouri
Monday, July 31, 2000

ATTORNEY'S EYES ONLY

Reported by:

CHERI A. RAIFFIE, CSR
Notary Public
Job No. 571580A

Esquire Deposition Services
2100 N. Broadway, Second Floor
Santa Ana, CA 92706
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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

INDEPENDENT INK, INC., a California corporation Plaintiff vs. TRIDENT, INC., believed to be a Connecticut corporation, And DOES 1 through 50, Defendants.	CASE NO. CV98-6686 NM (CWX)
TRIDENT, INC., a Connecticut corporation Counterclaimimant, vs. INDEPENDENT INK, INC., a California corporation, and DOES 1 through 10 Counterdefendants.	

THE DEPOSITION OF THOMAS BARNETT, produced, sworn, and examined on the 31st day of July, 2000, between the hours of eight o'clock in the forenoon of that day and six o'clock in the afternoon of that day at the law offices of Bryan Cave, 1 Metropolitan Square, 211 N. Broadway, St. Louis, before CHERI A. RAIFFIE, Certified Shorthand Reporter and Notary Public within and for the State of Missouri, in a certain cause now pending in the United States District Court, Central District of California, between Independent Inck [sic], Inc., a California corporation, Plaintiff; and Trident, Inc., Defendants; and Trident,

Inc. a Connecticut corporation, Counterclaimant; and Independent Ink, Inc., a California corporation and DOES 1 through 10; taken on behalf of the Plaintiff and Counterdefendant, Independent Ink, Inc.

* * *

[Tr. 9] are confident you can go ahead and ask and if you would not get into the areas that would be subject to an Attorneys Eyes Only designation perhaps you could ask those and Mr. Brucker could remain and then when we get into another area of sensitivity —

MR. O'CONNOR: Okay. For example, where I'm going with this line of questioning right now I don't intend to ask him anything about the formulas or any specifics like that. This is kind of a general question. We all know that Marsh had their own ink at one point in time so I don't intend to get into anything that would involve customer lists or customer information or formulas or anything of that nature.

So, if I could allow Mr. Brucker to stay while I follow this line of questioning and if — why don't we do this, if I get to anything that Mr. Barnett thinks could be of concern than we'll just ask Mr. Brucker to leave.

MR. RUSSELL: Okay. And that would be fine. And so subject to that understanding and perhaps you could refine the pending question so that we're certain it doesn't call for confidential information. Subject to that understanding I'll lift the designation until it is reinvoked.

BY MR. O'CONNOR:

Q. My question, Mr. Barnett; was and so it is clear, I'm not looking for any formulas, I just want to know at any one time had Marsh developed it's own ink for use with the Trident printheads, Peizo Electric printheads?

[Tr. 10] A. Yes.

Q. And what motivated Marsh to develop its own ink?

MR. RUSSELL: Are you able to answer that without getting into potentially confidential information?

THE WITNESS: I'm trying to think if I can answer that.

MR. RUSSELL: Maybe you could rephrase the question so that we —

MR. O'CONNOR: Well, I would rather not. MR. RUSSELL: All right.

MR. O'CONNOR: If he as problem with answering that in front of Mr. Brucker we'll have Mr. Brucker leave.

BY MR. O'CONNOR:

Q. Does that answer your hesitation, sir? Do you want to talk to your attorney?

MR. RUSSELL: If you don't mind.

MR. O'CONNOR: Anytime you want to consult with your attorney, please.

MR. RUSSELL: Okay, good. I recognize there is a question pending so I hesitate to do it but if that's all right with you.

MR. O'CONNOR: That is fine. I have no objection.

(A SHORT BREAK WAS TAKEN.)

MR. O'CONNOR: Will you read the question back.

(AT WHICH TIME THE COURT REPORTER READ BACK THE LAST QUESTION.)

[Tr. 11] THE WITNESS: Basically it represented a business opportunity for Marsh.

BY MR. O'CONNOR:

Q. Can you give me a little more detail, why did it represent a business opportunity for Marsh?

A. Well, I guess two-fold issues: One, it allowed us to make an ink we felt performed better in the particular product.

Q. Better than the Trident ink?

A. I can't argue.

Q. Okay.

A. And it provided an ink that we felt we could manufacture for a cost less than we were paying Trident for the ink.

Q. Did you actually sell any of that ink?

A. Yes.

Q. Did you ever have any conversations with any representatives of Trident concerning Marsh's decision to sell it's [sic] own ink?

A. Yes.

Q. With whom did you have those discussions?

A. Elaine Pullen was one individual and I do not remember the name of the other individual.

Q. Do you recall what she said to you about that decision?

A. Basically that the contractual arrangements were such [Tr. 12] that we should have — we were to buy the ink from them and that was — the ink effectively belonged to them.

MR. RUSSELL: If I could just to make sure that both of the attorneys representing the parties agree with me, as an accommodation I'll allow Mr. Brucker to remain in they deposition but does anybody have an objection that that somehow waives confidentiality over this information?

MR. SIGALE: I have no objection at least to this line of questioning. If I do I will raise an objection.

MR. RUSSELL: So as to we're got going to get into issues of some sort of subject matter waiver because he has answered one question that then subsequent detail that he is not revealing at this point and it somehow becomes public information.

MR. O'CONNOR: Harvard Law School.

MR. SIGALE: I don't think that should be an issue.

MR. O'CONNOR: No, there is going to be no such waiver.

MR. RUSSELL: Good. Thank you.

BY MR. O'CONNOR:

Q. All right. So, the question was whether – strike that. Have you completed your answer?

A. Yes, sir.

Q. Okay. Did Elaine Pullen indicate to you whether there would be any repercussions to Marsh if Marsh continued to [Tr. 13] sell it's [sic] own ink?

A. I think Elaine made the point that she basically said that she felt that we needed to review the matter but she didn't specifically state repercussions, she just said you need to look at the matter. We think under this that you need to provide us with the ink and you should not be selling the ink.

Q. Did she — strike that. Did Trident ever refuse to

supply Marsh with printheads that Marsh had ordered from Trident?

MR. RUSSELL: Objection; vague. You may go ahead and answer the question.

BY MR. O'CONNOR:

Q. Do you understand the question?

A. Yeah, I understand the question. I guess the best way to answer the question is that Trident never refused to supply printheads.

Q. Okay. Did Trident ever threaten to enforce a license agreement that would prohibit Marsh from making it's [sic] own ink?

MR. RUSSELL: Objection; vague.

A. You know, threaten is a difficult word to define in a lot of cases. I mean, I think that's, you know, Trident reiterated the position that the contract was the contract and the agreement was whatever the factual agreement was. I mean, threaten is a difficult word for me to define.

Q. Did Elaine Pullen ever indicate that Trident would [Tr. 14] take steps to enforce the agreement?

A. Yes.

Q. And what did she say in that regard?

MR. RUSSELL: If you recall.

A. I specifically don't recall what she said at that particular time. I mean, basically she indicated that they would pursue whatever avenues were necessary to enforce the agreement.

BY MR. O'CONNOR:

Q. Did she ever indicate that Trident would sue Marsh to enforce the agreement?

MR. RUSSELL: You said indicate; do you mean did she say it?

BY MR. O'CONNOR:

Q. Did she say it?

A. I don't think she said that but I don't recall specifically.

Q. Okay. Based upon your knowledge do you have an approximation as to what percentage of the market for Trident ink for use in these Peizo Electric printheads was provided by Marsh?

MR. SIGALE: Objection; this calls for Attorney-Client, if you can answer — I mean, Attorneys Eyes Only. If you can answer.

MR. O'CONNOR: Do you want Barry out of the room?

* * *

[Tr. 25] BY MR. O'CONNOR:

Q. Did you have a concern about the issues raised by Ms.

Pullen concerning your agreement with Trident?

A. Yes.

Q. And what was your concern?

A. Well, nobody wants to go to court, you know, and if in their view that we were — that the agreement stood on it's [s'c] face and says that's basically that's what it said that I was concerned about how that would get resolved and that's a concern to the company, a business decision.

Q. Were you ever informed by Elaine Pullen that you had, Marsh had, no right to supply either directly or indirectly ink for use with Trident's printheads to customers anywhere in the world?

A. I don't recall.

Q. Elaine Pullen indicated that you that you did not have a right to sell your own ink for use in conjunction with Trident's products; is that correct?

A. Yes.

Q. Did she ever indicate to you that no one would have a right other than Trident to supply ink for use with Trident's products?

MR. RUSSELL: Did she ever say that to him?

MR. O'CONNOR: Yeah.

A. No.

[Tr. 26] BY MR. O'CONNOR:

Q. Did she ever discuss Independent Ink with you?

A. Generally.

Q. Do you recall what she said about Independent Ink?

A. No, I don't specifically recall.

Q. Okay. Do you recall whether she said anything to you concerning any actions that Trident intended to take against anyone other than possibly Marsh with regard to preventing the sale of ink other than Trident Ink for use with Trident Peizo Electric printheads?

A. I don't recall any specific statements that were made about that particular topic.

Q. Do you recall any general solutions that she may have made?

MR. RUSSELL: Objection to form.

A. I think generally, I mean Elaine's position was that the contract was the contract and that they would force whatever rights they had under the contract.

BY MR. O'CONNOR:

Q. If it hadn't — strike that. If Marsh had been able to go forward and market it's on [sic] ink do you have any reasonable belief as to what percent of it's [sic] own ink it would have been selling versus Trident Ink?

MR. SIGALE: Objection; assumes facts not in evidence.

MR. RUSSELL: Objection.

* * *

Exhibit 29

CONFIDENTIAL TRANSCRIPT
IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

INDEPENDENT INK, INC., a California corporation,	)	
	)	CASE NO. CV98-6686 NM (CWx)
Plaintiff,	)	
vs.	)	
TRIDENT, INC., believed to be a Connecticut corporation, and DOES 1 through 50, inclusive,	)	
Defendants.	)	

DEPOSITION OF ELAINE PULLEN

Newport Beach, California
Wednesday, August 23, 2000

Volume 2

CONFIDENTIAL

SHERYL HILTON MEYER,
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CONFIDENTIAL TRANSCRIPT

* * *

[Tr. 227] A Yes, I do.

Q. I'll finish reading the sentence. "A price increase is planned for Trident ink in April." Do you recall what he was talking about there?

A Yes, I do. In order to encourage the use of the Marsh ink, they were planning to increase the price of the V300 ink so that there would be a greater price differential between them.

Q Between their ink and the Trident ink?

A Correct.

Q Why did they do that? Why were they going to do that? Do you know?

A That would be speculation. I mean it's not an unusual marketing policy to offer two alternative products and at different price levels.

Q Do you know if they ever did that?

A I believe they did, yes.

Q The next sentence says "Valerie again stated that ITW has considerable legal resources as compared to Trident." What was her purpose in saying that, if you know?

A Well, the timing of this meeting was actually, I think, just prior to the acquisition by ITW, and I think it was merely to remind Marsh that ITW had every intention of standing behind its rights.

[Tr. 228] Q As against Marsh?

A Or anybody who would be in breach of their agreements.

Q Well, in the particular context was -

A In this instance Marsh/Videojet.

Q And was Valerie employed by ITW at that time?

A Yes, she was.

Q Okay.

A Also just making sure this is correct that we have the resources also to protect our intellectual property rights.

Q It says "Valerie Lapinski, President Dynatech." Was Dynatech a wholly owned subsidiary of ITW at that time if you know?

A That's right. Valerie in the recent past was president of Dynatech, and I think she still holds that title in addition to having other companies that report to her.

Q Do you know, and if you don't, that's fine, but do you know whether ITW's assets are owned by Dynatech?

MR. SIGALE: objection to the extent it calls for a legal conclusion.

THE WITNESS: Okay.

[Tr. 229] MR. SIGALE: You can answer if you now.

THE WITNESS: To the best of my knowledge Dynatech is a part of ITW. I don't know exactly what corporate structure Dynatech is though, whether they've merged into some other part of ITW or not.

BY MR. O'CONNOR:

Q If you turn to the next page which is control, number 33024, and if you'd look at the first sentence, at the top it says, "Valerie also stated again that ITW does not allow contracts to be breached, and although our desire is to avoid a legal action, injunction and damages are the likely outcome." To what was she referring there?

A She was referring to the sales and license agreement between Videojet/Marsh and Trident.

Q Okay. And was she indicating that ITW would institute legal action unless this matter were resolved to ITW's satisfaction?

A Reluctantly that would have to be the result if we couldn't agree, but obviously this meeting was called because we wanted to avoid that.

Q And the next sentence says "ITW would also, if pressed, discontinue the supply of printheads to Videojet and Marsh." Do you recall her making that statement?

A That's what it says here.

[Tr. 230] Q But I'm asking if you recall if she did say that?

A Words to that effect. I wouldn't say I'm quoting her verbatim here.

Q But that was the essence of what she told them?

A Correct.

Q If you look at the third paragraph from the bottom —

A Uh-huh.

Q — the first sentence "I asked Tom how we should handle warranty claims for heads now that they may contain nonTrident ink." Why were you asking him that question?

A Because the use of ADI ink at the time was not approved by Trident. So it would be regarded as a nonTrident ink which voids the warranty.

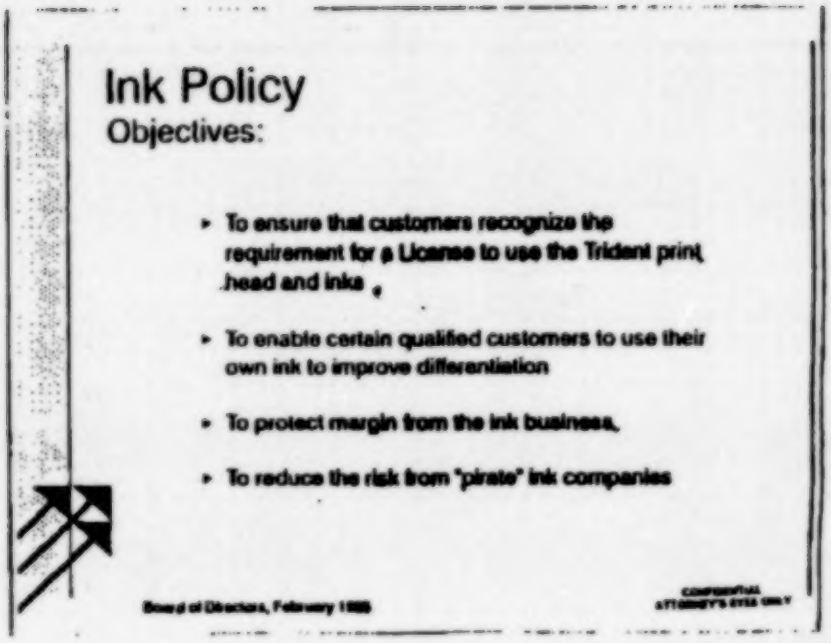
Q Well, did you tell him that or — strike that.

Just so you understand, I'm confused as to why you were asking him that. That sounds like you were telling him that.

A I asked him. As it says here, I asked him how he wants us to handle those heads.

Q Okay. Because you indicated to him that the heads were no longer covered by your warranty; is that right?

* * *


Ink Policy
Objectives:
▸ To ensure that customers recognize the requirement for a License to use the Trident print head and inks
▸ To enable certain qualified customers to use their own ink to improve differentiation
▸ To protect margin from the ink business.
▸ To reduce the risk from "pirate" ink companies
Board of Directors, February 1998
CONFIDENTIAL

TRD 028719

CONFIDENTIAL

* * *

Exhibit 35

Actions: Strategy Against Ink Pirates
S. Liker
January 12, 1999

Summary:

Focus attack on four fronts simultaneously:

1) Legally through challenges of patent infringement involving the ink formulation and cap design.

   Actions:

   Obtain approximately ten bottles of G.C. ink from Marsh for analysis by independent lab Polymer Testing. We will then have the ink formula analyzed and evaluate raw aluminum coupons (equivalent to Ultrajet's earlier foot plate material) as well as orifice/chamber plate bonds when submerged in G.C., and V300 inks. In addition, ink from another ink pirate, Renewable Resources, will be included in the test. It is the goal of this study to provide analytical information from an independent source which can be used by Trident legal to file patent infringement while providing cause for requiring Trident ink in the Ultrajet. This information will also support the Marketing Front (see below). Target completion date:

   Responsibility:

2) Functionally through implementation of various proprietary/ protective bottle caps and proprietary labels and ink names.

A) Label Changes • Need to discuss with Marsh and other major OEMs potential to provide custom labels for their largest distributors. The goal is to confuse G. C. and force them to either risk miscibility problems (coincides with the introduction of ScanTrue at some sites which is not miscible with G.C. inks) or expend the effort and money to evaluate multiple ink formulations. Meetings will be held with Marsh and others to discuss.

Target completion date:
Responsible:

B) Bottle Cap Changes • By providing various keyed or reduced diameter bottle caps along with associated inserts reservoirs can be retrofitting to produce greater coupling challenge for G.C. inks in Trident-based systems. In addition, smart chips or electrically coupled caps and fittings will be investigated. Meetings will be held with Marsh and others to discuss.

Target completion date:
Responsible:

3) Marketing through literature comparing Trident's superior ink to graphics inferior knock-off. Supporting data and photos will cast "doubt" in end-user purchasers' minds regarding the risks associated with G.C.'s inks. Work with OEMs to tie maintenance and services with continued use of Trident inks.

The photos of clogged filters from Marsh along with photos of corrosion from Polymer Testing will be combined with Trident literature expounding on our ink quality in order to cast doubt in the mind of end-user purchasing department heads.

Target completion date:
Responsible:

4) Pricing through investigation of alternative methods of distribution which could reduce OEM inventory and ultimately reduce the end-user's cost making our ink more price competitive.

Work with Marsh to determine alternative methods of ink distribution and inventory which will ultimately reduce the end-user price and make the ink more competitive with G.C. ink. G.C. has the advantage of selling direct without the associated distributor markups.

Target completion date:
Responsible:

* * *

Exhibit 36

Inks — Trident's Lifeblood

Overview:

Trident manufactures inks for specific applications and printhead designs. The inks, as printheads, are sold through Trident Original Equipment Manufactuers (OEMs) to the end users. Since Trident has little, if any, contact with end users we rarely hear about pirates, or competitive products – until they become a problem.

Inks are the lifeblood of our industry. Once a system is sold and installed at an end user's site, the only source of continued revenue is the consumable –ink [sic].

Several companies have seen that profit smile, too. Consumables are profitable so the players in the field will increase if there is room to make a profit. Companies, as detailed below, can easily acquire genuine Trident inks and reverse engineer them. Once reverse engineered, duplicates can be made and sold. Pirate companies sell directly to the end users, eliminating the middle man (the Trident OEM), allowing for a cheaper end user price.

The Pirates:
V300 or VEX inks:

- Applied Technology Group – ATG
- Graphics Controls
- Independent Ink
- Renewable Resources

Jetwrite ink:

- ERT Ribbons
- Inkjet Solutions
- Bay Associates

HiDef ink:

- E-Link

Strategy:
Manufacture an ink that closely resembles Trident's genuine product and market that ink directly to the end user. End users will pay lower prices and seemingly receive the "Same" product they were paying full price for. End users will maintain a quiet profile since they don't want to void their warrantee with Trident's OEM. To keep appearances up with the OEM, the end user will place token orders with the OEM.

Target Markets:

- *Carton coding end users* — the largest family of Trident ink users, and the largest volume users
- *Check endorsing end users* — banks and clearing houses who are stingy and cheap.

Distribution Channels:

- Independent Reps
- Direct Marketing
- Mail
- Telemarketing

Production Capabilities:
Some companies have actual manufacturing locations while others are home brewed. Inks can be made in a basement or garage in 55 gallon drums. Once mixed can be dispensed into 125 or 500 ml bottles with ease. Large or special plants are not required for these products.

Trident's Strengths:

- Trident designs inks for specific applications and formulates the inks to work within specific printheads.

- Printheads are guaranteed when used with Trident genuine inks
- Trident's Bottle and LISS is patent protected thus any pirate attempting to duplicate the bottle or developing a substitute may be in patent violation.

Trident's Weaknesses:

- Patent protection has not been applied for or received for all Trident inks
- Trident uses numerous outside labs to design and/or manufacture inks
- End Users are paying a tremendous price (in their minds) for genuine inks
- End Users have no loyalty to Trident

Overcoming the Competition:

- Develop End User loyalty programs
- Reward end users when they bring pirates to the Trident's attention
- Act quickly when a new pirate is brought to Trident's attention

Effects on Trident:

Liters of Ink sold in FY 97

- 363 Liters from 14528 Jetwrite cartrideges [sic] $560/l
- 37003 Liters of VersaPrint inks - $214/1
- 6573 liters of HiDef inks $230/1

43939 total liters - average selling price $334/1

a 10% loss due to pirates equates to 4394 liters in one year or $1,467,596 in lost revenue.

Exhibit 37

FoxJet
an ITW Company

Subject: Third Party Ink Providers & Patent Infringements

Equipment: Series 7 Products

Over the past several years, many of our customers have reported third party ink activity within their accounts. Trident is taking a pro-active approach and has prepared the attached information for your use in this situation. In addition, ITW's legal counsel is working aggressively with Trident to take appropriate legal actions against patent infringements with great success. The following items are included in the package:

- A business letter from Elaine Pullen summarizing Trident's successful legal actions against ink suppliers infringing various Trident patents.
- "All Inks Are Not Created Equal" — Competitive Ink Comparisons
- "Trident Inks Make the Difference" Brochure
- Screen captures of an "Anti-Pirate" PowerPoint presentation prepared by Trident. The PowerPoint presentation is posted on FoxJet's web site - Distributor Resources section.

Review and discuss these competitive points with your sales, technical and customer service personnel. This material will ensure your company's success to maintain and defend its consumable business. All materials may be copied and distributed freely. Additional copies are available from FoxJet or visit our web site at www.foxjet.com.

Please feel free to contact us directly should you have any questions.

###

2016 E. Randol Milt Road, Suite 409 - Arlington, Texas 16011
Tel: 1-800-FQXJET4 or 817-795-6056 Fax: 817-795-7101

TRIDENT
AN ITW COMPANY

Mr. Kevin Brennan
Product Manager
Marconi Data Systems Inc.
707 East 'B' Street
P.O. Box 388
Belleville, IL 62222

May 2, 2000

Dear Kevin,

Over the past year, many of our OEM customers have reported the increased activity of third party inks being used with Trident's UltraJet™ imaging systems. Trident's Case Coding Team has prepared the attached package for your use relative to this activity. These materials should be helpful in situations where third party ink suppliers are concerned. The following items are included in the package:

- A business letter from Elaine Pullen summarizing Trident's successful legal actions against ink suppliers infringing various Trident patents.
- "All Inks Are not Created Equal" – Competitive Ink Comparisons
- A Position paper Regarding Piracy in the Ink Industry
- "Trident Inks Make the Difference" Brochure
- A Power Point Presentation with highlights for the above materials

As you will note in the watermark, the document titled Trident's Position Paper Regarding Piracy in the Ink Industry is for your internal use only. We encourage you to review and discuss these competitive points with your sales, technical

and customer service personnel. Please limit the reproduction circulation of this document. All other materials may be copied and distributed freely, especially the letter from Elaine detailing our legal successes with several of these third party copycats.

Please feel free to contact me with any questions you may have on this matter. I hope that you will find material helpful in maintaining and defending your consumables business in the marketplace.

Sincerely,

Brian Mahar
Business Director,
Worldwide Case Coding

Phone: 203-740-9333 ext 3066
Fax: 203-740-3527
E-Mail: BMAHAR@TRIDENT-ITW.COM

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TRIDENT

AN ITW COMPANY

Mr. Kevin Brennan
Product Manager
Marconi Data Systems Inc.
707 East 'B' Street
P.O. Box 388
Belleville, IL 62222

May 1, 2000

Dear Kevin,

Over the past several years we have seen the activities of third party ink providers become more visible and aggressive. Trident is very aware of the impact that this has had on your business and on ours. Not only has the sale of these unauthorized or third party inks impacted sales revenues, this unlicensed activity has also been shown to not work as effectively in Trident's Ultrajet printheads. The result is a negative impact on the performance reputation of both Trident and Marconi Data Systems Inc.

As you know, Trident's printheads, inks and ink delivery systems are protected by various patents. Many third party ink providers are infringing upon Trident's intellectual property rights. Trident has been working aggressively to take appropriate legal actions.

Trident invests critical resources in the research and development of innovative products to meek our customers' needs. Trident protects its investment by obtaining strong patent protection on inventions, and by vigorously enforcing patent rights against pirates in the ink industry. In this regard, Trident, who owns many patents covering Trident ink jet compositions and supply devices, has successfully asserted two patents against competitors who unwisely sought to disregard them.

In 1997, Trident sued Renewable Resources, Inc of Cookeville, Tennessee, and Applied Technology Group, Inc., of

Belleville, Illinois, for infringement of Tridents U.S. Patent Numbers 5,343,225 ("the 226 patent") and 5,154,761("the 761 patent"). In 1999, the U.S. District Court for the Southern District of Illinois issued an order stating that both of Trident's patents were valid, enforceable, and had been infringed by Renewable Resources. Renewable Resources was enjoined from any act infringing any claim of the patents in suit. The Court also issued an order against Applied Technologies Group, finding that the defendant had infringed the 226 patent. The Court also enjoined Applied Technologies Group from reconstructing, repairing, or refilling, or enabling, aiding or causing others to reconstruct, repair or refill, any container made or sold by Trident which bears a single use license notice under the 226 patent.

Trident also has sued Independent Ink, Inc. of Gardena, California, for infringement of the 226 and 761 patents. Trident is confident that it will be successful in that action, which is now pending in California.

I can assure you that Trident, with the assistance of our ITW legal counsel, will continue to aggressively pursue other players in the market who have disregarded any of our patents. Your assistance and patience during this process is very much appreciated.

Please feel free to pass this letter along to your distributors and end-users. It is important that all players be aware of our intent to protect our patent investments at all levels of use.

Sincerely,

Elaine Pullen
President

cc: Brian Mahar
Lisa Soltis – ITW Legal

1114 Federal Road, Brookfield, CT 06804-11140
Phone: 203-740-9333 Fax: 203-740-3527
www.trident-itw.com

TRIDENT'S POSITION PAPER REGARDING
PIRACY IN THE INK INDUSTRY

The following summarizes various legal, technical, and economic arguments to dissuade end users of Trident's products from purchasing me-too inks and refill bottles or kits from ink pirates. As explained below, end-users take substantial risks whenever any non-Trident ink is introduced into Trident's printhead systems.

- **Patent Infringement Risks:** Trident's printheads, inks (including V300), and ink delivery systems are protected by various patents. Trident has vigorously and successfully enforced its patent rights against pirates in the ink industry and continues to do so. Should any such non-Trident ink be found to be an infringement of one or more of Trident's patents, suppliers, as well as end users, of such non-Trident inks are liable for infringement under the United States patent laws. In addition, the Trident V300 ink container carries a label that states that it is "a single use only" licensed product and it is "not for refill". Therefore, any refilling of Trident's original spent ink container is unlicensed and also an infringement of Trident patent rights.

- **Use of Non-Trident Inks Voids Warranty:** It is important to note that, for end-users who are still under warranty, any printhead which is returned to Trident for refurbishment or repair may be voided if the damage to the printhead, including for example, delaminated CP/OP, conductive ink, corrosion, sediment, particle build-up, clogged filters, or clogged orifices, is due to usage of non-Trident inks.

- **All Inks Are Not Created Equal:** Trident has received numerous testimonials from Trident customers who have tried unsuccessfully to use non-Trident inks as a replacement for Trident's V-300 ink. Frequently, substitute inks contain components that are not compatible with the materials in Trident's printhead. The presence of such components, even in minute amounts, can produce disastrous results. As described in more detail below, repeated use of pirate inks may effect start-up, throw distance, print quality, ink bleed, and bar-code scan-ability.

  - **Long Term Printhead Effects:** Although pirate inks may appear to work in Trident's printhead in the short term, many have long term detrimental effects that result in more frequent repair and/or permanent printhead failure over time. This represents a hidden cost for end-users.

  - **Printhead Orifice Plate Delamination:** Trident uses a special bonding process during the production of its orifice plate configurations. All Trident inks are especially formulated to be compatible with this process. Pirate ink formulations do not go through Trident's rigorous testing and screening processes. Therefore, potential short-term and long-term effect of the orifice plate bond may cause delamination, print quality deterioration, and possible printhead failure.

FOR REFERENCE ONLY
DO NOT COPY OR DISTRIBUTE

ATTORNEYS
EYES ONLY

Hidden Costs With Increased Wiping: Some pirate inks "wet" the orifice plate differently from Trident inks in that use of such non-Trident inks in a Trident printhead results in a more rapid microscopic build-up of unwanted ink around the orifice. Sustained and/or increased priming activity increases non-productive ink usage, which over time, may off-set any initial savings. In addition, as a result of increased priming activity, the user must wipe and/or prime printheads more frequently when using non-Trident inks.

High Speed Impact: Trident's ink technology is employed for imaging packages at a very high rate. Pirate inks, that are not developed with this goal in mind, may perform poorly at such high rates. Furthermore, Trident's system is designed to achieve a delicate and precise balance among the workings of the ink, ink chamber, orifice configuration, ink path, and electronic drive design in order to produce a high quality, scan-able image. For example, the viscosity, surface tension, and rheology of Trident inks play a critical role in the formation of each drop and its flight from the printhead onto the substrate. This is especially important when firing drops at very high rates. Pirate inks, not designed or tested with these objectives in mind, can perform differently and cause ink to improperly seep, or "weep", out of channels.

FOR REFERENCE ONLY

Filter Clogging: Trident inks are produced from very high standards of raw materials and using strict process controls. Pirate inks are not manufactured to the same standards. The result is an increased potential for printhead filters to clog and restrict the ink flow from the reservoir to the printhead, thus causing loss of print quality.

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Poor Bar-Code Quality: Certain non-Trident ink suppliers have formulated inks that produce lower Print Contrast Signals (PCS) when imaged onto corrugate boxes, thereby reducing the reliability of the imaged bar-code.

Ink Compatability: When various non-Trident inks are used with systems originally supplied with V-300, the compatability of these formulations may effect performance printhead life. Sometimes the reactions between noncompatible inks is immediate, and at other times, it is more subtle. Flushing of the system prior to ink change-over is clear evidence that these inks are not fully compatible and that performance may be effected.

ATTORNEYS EYES ONLY

Trident V300 Ink
"Not All Inks Are Created Equal"

Using non-Trident inks may initially provide lower ink pricing, but the risk of poor print quality, product failure, system downtime, increased maintenance, loss of warranty and the expense of replacing the printhead could significantly increase long term costs.

Customer Testimonials

Customer A, a large supplier to the Fresh Produce market, "We tried brand A ink and it worked well for a while until we noticed we had more down time and increased maintenance costs after 6 months."

Customer B, a paper goods manufacturing facility, "It's not worth the aggravation using the knock-off inks, our plant runs 24/7. We can't afford any downtime. Trident V300 ink keeps our printers on-line."

Customer C, a mid-size consumer products company, "Don't be fooled by the false promises of after-market ink manufacturers, we tried them and paid the price. After 3 months we noticed serious print quality degradation and found out all 32 printheads with this ink were contaminated and had to be sent back for cleaning and refurbishment. I almost lost my job because of it."

Here's Proof!

Test data below is from an independent outside agency comparing Trident V300 ink to the after-market inks.

Ink brand	Darkness (P.C.S. %)	Start-up	Orifice wetting	Tackiness of printhead face	Thru-put
Trident V300	80	passed	passed	passed	passed
Brand A	79	failed	failed	failed	passed
Brand B	74	passed	failed	failed	passed
Brand C	83	passed	passed	failed	passed

Notes:

1. Start-up: Failure indicates printhead requires an excessive amount of primes to get all channels to fire properly. This can cause the operator to waste an excessive amount of ink.
2. Orifice wetting: Failure indicates printhead face is wet after printing. This will attract dust which will cause poor print quality, increased intervention and premature failure of the printhead.
3. Tackiness of printhead face: Failure indicates printhead face is sticky after printing. This will attract dust which will cause poor print quality, increased intervention and premature failure of the printhead.

Protect your investment, Trident Inks Make the Difference!

(Continued)

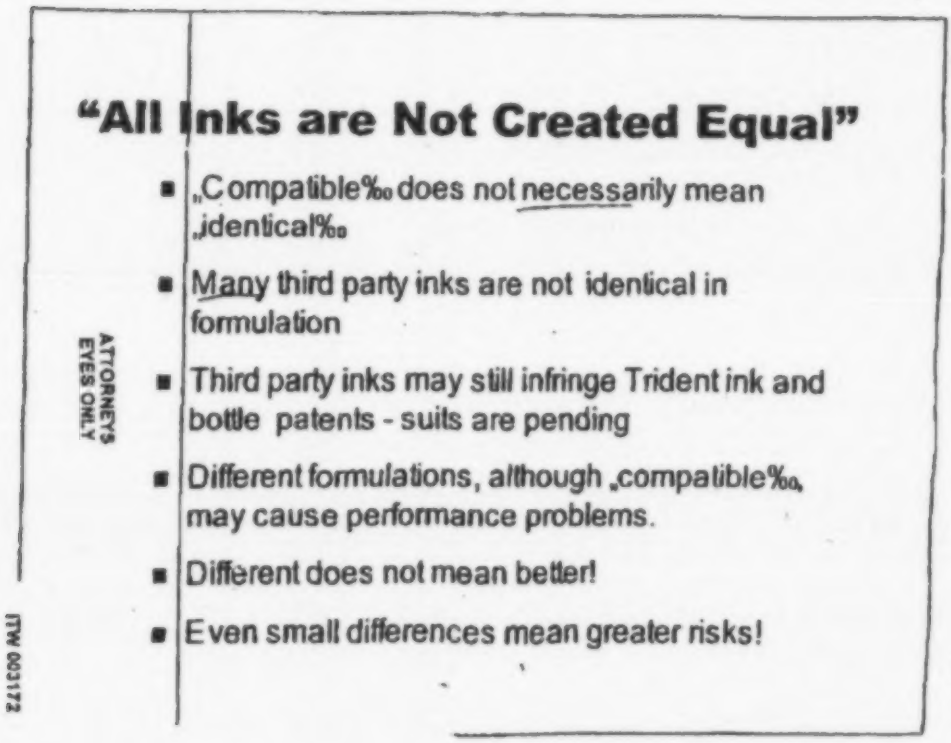
ATTORNEYS EYES ONLY

* * *

Patent infringement Risks: Trident's printheads, inks (including V300), and ink delivery systems are protected by various patents. Trident has vigorously and successfully enforced its patent rights against pirates in the ink industry and continues to do so. Should any such non-Trident ink be found to be an infringement of one or more of Trident's patents, suppliers, as well as end users, of such non-rident inks are liable for infringement under the United States patent laws. In addition, the Trident V300 ink container carries a label that states that it is "a single use only" licensed product and it is "not for refill". Therefore, any refilling of Trident's original spent ink container is unlicensed and also an infringement of Trident patent rights.

* * *

TRIDENT
AN ITW COMPANY
Third Party Inks
The Real Picture!
ATTORNEYS
EYES ONLY
ITW 003171


"All Inks are Not Created Equal"
„Compatible‰ does not necessarily mean „identical‰
Many third party inks are not identical in formulation
Third party inks may still infringe Trident ink and bottle patents - suits are pending
Different formulations, although „compatible‰, may cause performance problems.
Different does not mean better!
Even small differences mean greater risks!
ATTORNEYS EYES ONLY
ITW 003172

Risks of Using Non Approved Inks

- Corrosion
- Orifice clogging
- Reduced jetting frequenc
- Filter clogging
- Loss of warranty coverag
- Increased conductivity - e
  shorts - fire
- Orifice Plate delaminatio
- Increased maintenance c

ATTORNEYS EYES ONLY

ITW 003173

Up Front Savings - Back End Costs

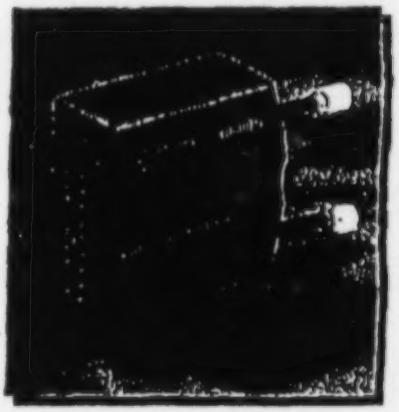
- Increased priming wastes ink
- Loss of warranty coverage
- Loss of system support
- Poor print quality or b
  readability affects en
  customers
- Total printhead failure
  - Short term
  - Long term

ATTORNEYS EYES ONLY

ITW 003174

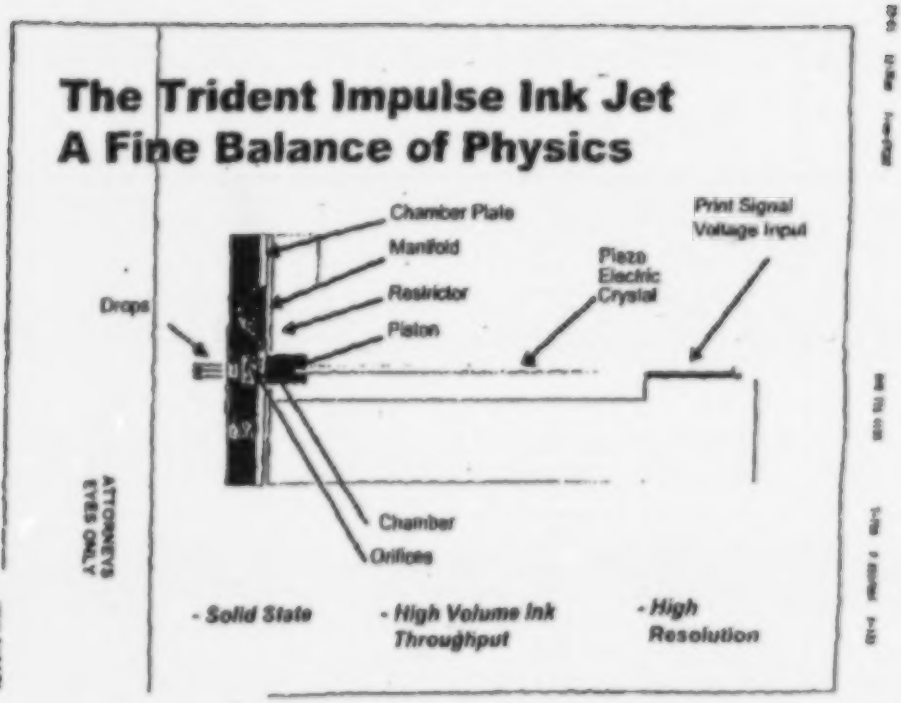
Why Are Inks Critical to Performance?

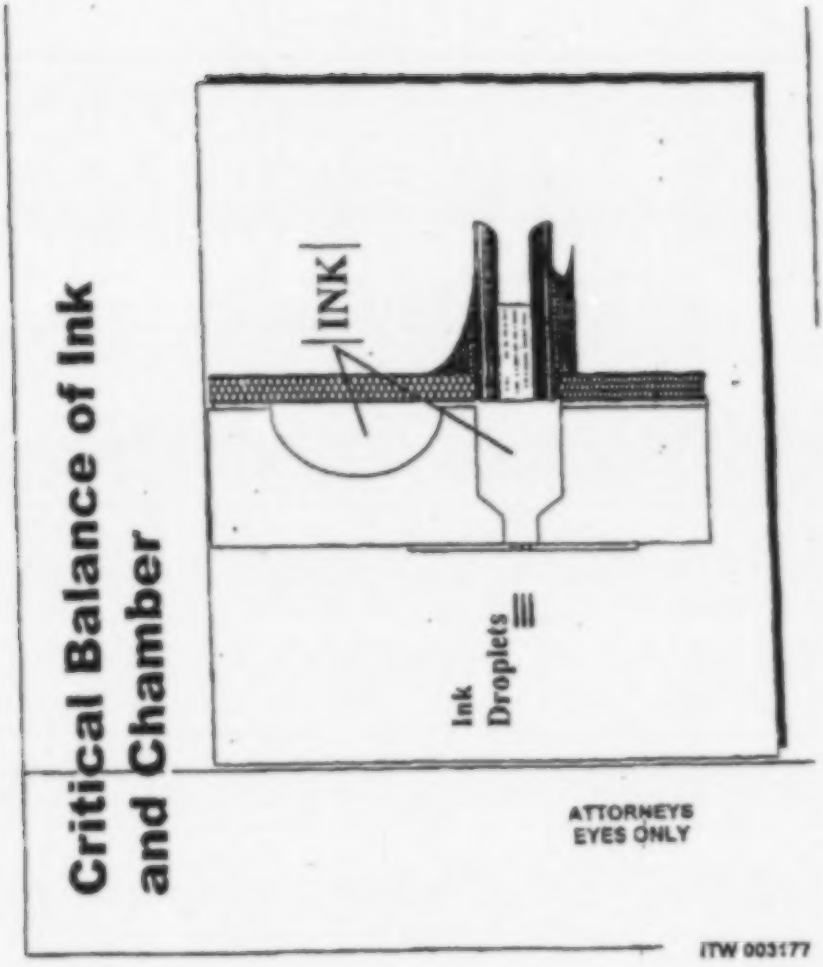
- Valveless Piezo technology depends on critical ink specifications
- Ultrajet printheads operation on a sensitive balance of inks, ink chamber, orifice size, surface tensions, and electronic drive program
- Even minor changes can affect this fine balance
- Non-Trident inks vary in:
  - Viscosity, Surface Tension,
  - Rheology and Cleanliness



ATTORNEYS EYES ONLY

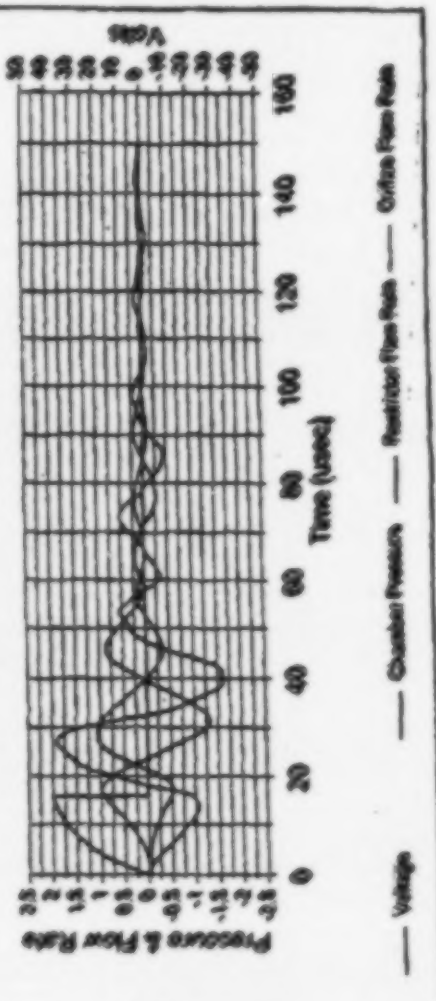
ITW 003175


The Trident Impulse Ink Jet
A Fine Balance of Physics
Chamber Plate
Manifold
Restrictor
Piston
Drops
Piezo Electric Crystal
Print Signal Voltage Input
Chamber
Orifices
- Solid State
- High Volume Ink Throughput
- High Resolution
ATTORNEYS EYES ONLY


Critical Balance of Ink and Chamber
INK
Ink Droplets
ATTORNEYS EYES ONLY
ITW 003177

Ink Formulation Impacts Jetting Performance and Speed

Ink Jet Analytical Model



ATTORNEYS EYES ONLY

ITW I

Effects of incorrect formulations
Orifice Clogging
ked
Norr
ATTORNEYS
EYES ONLY
ITW 00

Other Ink Problems

- Corrosion
- Filter Clogging
- Contamination
- Electrical Shorts - Fires
- Shelf Life
- Short Term and Long Term
- Lower Print Contrast
- Shorter Throw Distance
- Surface Wetting

ATTORNEYS EYES ONLY

ITW 003180

Is the Short Term Gain
Worth the Long Term Pain?
ATTORNEYS
EYES ONLY
Use Original OEM Approved Ink
ITW 003181

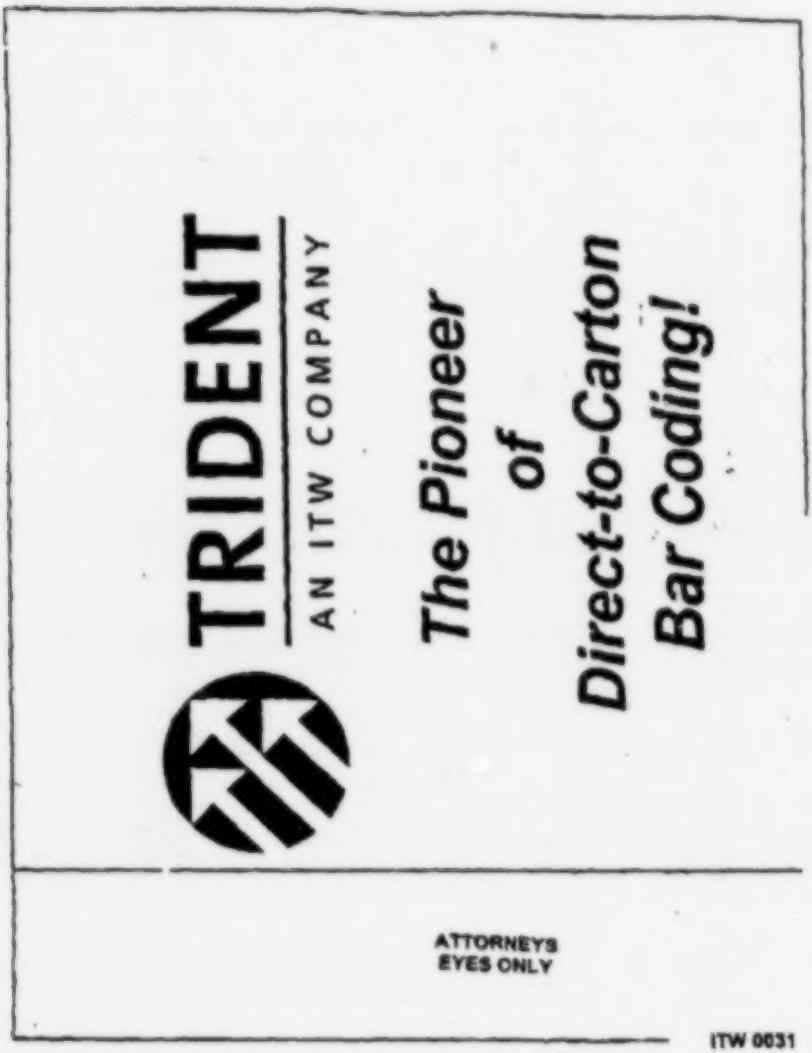

TRIDENT
AN ITW COMPANY
The Pioneer
of
Direct-to-Carton
Bar Coding!
ATTORNEYS
EYES ONLY
ITW 0031

Exhibit 38

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
(WESTERN DIVISION)

INDEPENDENT INK, INC., a California corporation Plaintiff vs. ILLINOIS TOOL WORKS, INC., A Delaware corporation; TRIDENT, INC., believed to be A Connecticut corporation, And DOES 1 through 50, Defendants.	CASE NO. CV98-6686 NM (CWx) **CERTIFIED COPY**

306(B)(6) DEPOSITION OF TRIDENT/ITW

Newport Beach, California

Wednesday, August 23, 2001

Volume 2

CONFIDENTIAL

Reported by:
LINDA L. SILVER
CSR No. 9915
JOB No. 586943

CONFIDENTIAL

* * *

[Tr. 308] having been first duly sworn, was examined and testified as follows:

THE WITNESS: I do.

EXAMINATION

BY MR. O'CONNOR:

Q State your name, please.

A My name is Elaine Pullen.

Q Ms. Pullen, I've taken your deposition before, so I'm not going to go through all of the preliminaries.

Would you please take a look at Exhibit 15297 entitled "Strategic Business Plan 1999."

MR SIGALE: Mr. O'Connor, you said the box was in order but I'm looking at the document that immediately follows the assessment of the opportunity of ink market and that's not the next document I have.

MR. O'CONNOR: Are you unable to locate that document?

MR. SIGALE: Can you tell me what the cover is.

MR. O'CONNOR: It should be right in there.

MR. SIGALE: Actually, it was right in front of me.

MR. O'CONNOR: This may seem tedious, but we're

* * *

[Tr. 353] BY MR. O'CONNOR:

Q You can answer that.

A I believe our measurements indicated that corrosion would occur.

Q But I'm asking you was there any evidence that a corrosion actually did occur, a corroded printhead?

A Not to my knowledge, we didn't have that.

Q If you look at 04139 —

A Hang on, I'm sorry, what was that a new stack again? Is that a new stack?

MR. O'CONNOR: You should have it. It's this one, Jordan.

MR. SIGALE: I've got it.

MR. O'CONNOR: I'm going to tell you what I think this is, you can tell me if I'm right. This is apparently a draft.

Q Was this a draft of the license agreement between Trident and — was it Data Processing (sic)? What was it the license — the ink patents that were licensed to them we just asked about?

MR. SIGALE: Data Products.

BY MR. O'CONNOR:

Q Data Products, that's it.

Is this a draft of the license between Trident and Data Products?

* * *

Exhibit 39

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
(Western Division)

INDEPENDENT INK, INC., a California corporation Plaintiff vs. ILLINOIS TOOL WORKS, INC., a Delaware corporation; TRIDENT, INC., believed to be A Connecticut corporation, And DOES 1 through 50, Defendants.	CASE NO. CV98-6686 NM (CWx) **CERTIFIED COPY**

306(B)(6) DEPOSITION OF TRIDENT/ITW

Newport Beach, California

Wednesday, May 9, 2001

Volume 1

CONFIDENTIAL

Reported by:
LINDA L. SILVER
CSR No. 9915
JOB No. 586943

STEVE LIKER,

* * *

[Tr. 24] having been first duly sworn, was examined and testified as follows

MS. WYTSMA: Mr. O'Connor, before you begin questioning, could we go ahead and put back on the record what categories Mr. Liker will be testifying to.

MR. O'CONNOR: Please.

MS. WYTSMA: Mr. Liker's being presented on categories No. 6, No. 7, No. 8, No. 10, No. 15, No. 16, No. 20, No. 24, No. 27 and No. 34.

MR. O'CONNOR: Okay. Good.

EXAMINATION

BY MR. O'CONNOR:

Q Mr. Liker, just so you understand what we're doing here, I understand you reviewed a number of documents to prepare for today; is that correct?

A Yes, correct.

Q And your counsel has provided us with list of those documents and they're being copied; so it the meantime, we're going to just try to test your recollection as best we can.

A Okay.

(Discussion off the record.)

* * *

[Tr. 26] BY MR. O'CONNOR:

Q Okay. Let's take a look at topic No. 6 if you have that in front of you. If you don't, I have an extra.

A This is not the right one.

MS. WYTSMA: That's not the proper notice. I have a notice I can look at with Mr. Liker.

BY MR. O'CONNOR:

Q Take a look at No. 6. Tell me when you finish reading that.

A Yes, I'm done.

Q Tell me what information you have as to whether or not ink manufactured and sold by Independent caused any problems with clogging or damage to any Trident equipment.

A I have no information that it did cause any damage; however, end users would not necessarily be outright and communicate that to Trident.

Q Okay. But you don't — you, personally, have no — or the company has no knowledge that any ink manufactured by Independent caused clogging problems or corrosion problems to any Trident printheads; is that correct?

A That's correct.

* * *

Exhibit 40

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
(Western Division)

INDEPENDENT INK, INC., a California corporation	)	
	)	CASE NO. CV98-6686 NM (CWx)
Plaintiff	)	
vs.	)	
ILLINOIS TOOL WORKS, INC., a Delaware corporation; TRIDENT, INC., believed to be A Connecticut corporation, And DOES 1 through 50,	)	
Defendants.	)	

306(B)(6) DEPOSITION OF TRIDENT/ITW

Newport Beach, California

Wednesday, May 9, 2001

Volume 1

CONFIDENTIAL

Reported by:
LINDA L. SILVER
CSR No. 9915
JOB No. 586943

* * *

[Tr. 6] Defendants Illinois Tool Works and Trident and Lisa Soltis also appearing on behalf of Illinois Tool Works.

THE VIDEOGRAPHER: The court reporter is Linda Silver.

Ms. Reporter, will you please swear in the witness.

AL STANCO,

having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. O'CONNOR:

Q State your name, please.

A Al Stanco.

Q Mr. Stanco, what is your occupation?

A I'm director of manufacturing of consumable products at Trident Incorporated.

Q And you're leaving that position, I believe?

A Correct.

Q When is your last day?

A Last day is Friday of this week, the 11th.

Q Where are you going then?

A Going to a company in North Haven called Advanced Products.

* * *

[Tr. 60] way or the other on that.

Q Okay. So what we know, then, is that they had a damaged printhead in which at one time they were using Trident ink in that printhead?

A Correct.

Q Then they switched to Graphic Controls ink?

A Yes.

Q And then they subsequently had a problem?

A That's correct.

Q Okay. Is it possible that the corrosion problem could have been caused partially by the Trident ink and then exacerbated by the Graphic Controls ink?

A That's always that possibility.

Q From your testing, there was no way of determining whether or not something like that occurred?

A Correct.

Q You do know of instances where there was damage – corrosion damage to printheads from Trident ink; is that correct?

A That's correct.

Q Do you know if it was the same ink that was used in the Sherwin-Williams printheads?

A It was the same — it was V300, which is the same ink.

Q Let's go to No. 20. Or had we just — we just

* * *

Exhibit 42

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

INDEPENDENT INK, INC., a California corporation	)	
	)	CASE NO. CV98-6686 NM (CWx)
Plaintiff	)	
vs.	)	
TRIDENT, INC., believed to be A Connecticut corporation, And DOES 1 through 50,	)	
Defendants.	)	

VOLUME I

RULE 30(B)(6) DEPOSITION OF INDEPENDENT INK, INC.

(TESTIMONY OF BARRY BRUCKER AND RANGANATHAN NK)

TUESDAY, JULY 25, 2000

LOS ANGELES, CALIFORNIA

CONFIDENTIAL TRANSCRIPT – ATTORNEYS' EYES ONLY

Reported by:
JOHN M. TAXTER
CSR No. 9915
JOB No. 18985SON/B

* * *

[Tr. 248] subject to obtaining these further documents.

MR. O'CONNOR: That's fine. And let's do it real quickly because we're almost out of time. Mr. Brucker wanted to add some things. You can just tell him, and then he can question you about them.

MR. SIGALE: Well, if he could please — we're videotaping, so we need to make a switch.

THE WITNESS: Can I get up?

MR. O'CONNOR: Yes, you can get up.

MR. SIGALE: Yes, please. Thank you very much.

THE WITNESS: All right.

EXAMINATION (RESUMED)

BY MR. SIGALE:

Q Mr. Brucker, I'd like to remind you that you're still under oath, or do you feel that we need to reswear you?

A No.

Q Okay. What would you like to say on the record?

A You had asked Ranga earlier about any direct conversations with other O.E.M.'s and with respect to the ability to use Trident – the ability [tr. 249] to use Independent Ink's inks for purchase.

Q Okay.

A Correct?

MR. O'CONNOR: Yes.

MR. SIGALE: Yes.

THE WITNESS: Okay. And he had mentioned a conversation with Diagraph and with a gentleman by the name of Juan Lopez. I wanted to also share that I had a personal visit

with both Juan Lopez, who is the vice president of Diagraph, as well as James Brigham, who is the president and owner of diagraph this was in late April, following the 761 Markman hearing. And we spoke about the opportunity of Independent Ink supplying inks for them for their high-resolution printers. And it was at that time that James Brigham had shared with me specifically that, by contract, he was unable to purchase from me.

In addition to that, I have had a conversation with two other O.E.M.'s. One was a guy by the name of Lloyd Torver or Tarver. He may currently be, but I think he at least was, the president of I.T.I. and prior to them being purchased by I.T.W., Illinois Tool Works, we also had a conversation, and he had indicated that he is [tr. 250] unable to buy from me. And then finally, in addition to that, I have had a conversation with Videojet Systems, otherwise known as Marconi – formerly known as Videojet Systems – both Mr. John Kirschner, the supply manager for Videojet – and also Craig Bauer, the president of Videojet – and both of those gentlemen but, more importantly – most importantly, Craig Bauer had indicated to me that he was unable to buy fluids from me because of this contract with Tri – with Trident as the manufacturer.

BY MR. SIGALE:

Q When did the conversations take place with Diagraph that you participated in?

A That was in late April. It was after the Markman hearing. So it must have been after the 17th of April.

Q With respect to I.T.I., when was that conversation?

A That must have been – I want to say maybe in January. It was prior, I know, to the acquisition of I.T.I. by I.T.W. Whatever it was, it was prior to it. And – and, subsequently, it was prior to the Markman hearing. And the conversation with Videojet was certainly post Markman hearing.

* * *

Exhibit 43

I, Ranganathan NK, declare as follows:

I have personal knowledge of the facts set forth in this declaration and if called upon can and will testify to them in a court of law. I received a voice mail message from Sandy Richmond of Hill Packaging dated December 9, 2000. The transcript of this voice mail is enclosed below. An audio tape copy of the original message is also available.

Transcript from Voice Mail message of Sandy Richmond of Hill Packaging (a Foxjet and ITI distributor) Note: Trident, Foxjet and ITI are divisions of ITW

Voice Mail Operator "Recorded December 9th at 1:33pm"

Sandy Richmond: "Good afternoon Ranga, this is Sandy Richmond of Hill Packaging returning your call. I'm glad that Frank Little is still referring me to you and I did in fact stop by Independent Ink's booth at the PMMI searching out what kind of relationship we could start but as I expressed to Dave Moore just before calling you we are not able to move forward with any sort of Independent Ink or outside a Trident Inc. basis and if we were to do that we would breach our contract with Foxjet so I know that there are a lot of things happening with ITI and ITW and so forth but that is one thing that is abundantly clear. You are welcome to follow up and give me a call if you like and discuss it further. That number is 603-898-4750 extension 222 and thank you for the call. Bye bye".

Voice Mail Operator: "Press one to play the next message...."

I declare under penalty of perjury that the accuracy of this transcript is true.

/s/Ranganathan NK
Ranganathan NK – January 3,2001

Exhibit 44

* * *

JETWRITE INK:

Ink is the life blood of Trident. Not only is it the biggest contributor to profit but it dictates the end use application for the ISS hardware. Currently Jetwrite™ ink is the mainstay for Trident. Jetwrite is ideal for imaging on porous materials. It does have application limitations in its tendency to "bleed" on very porous substrates. Improved formulas (Jetwrite E) has minimized gelling and debris failures. Jetwrite is available in two supply subsystems, 25 ml and 125 ml cartridges or 500 ml bottles for the LISS systems. We plan to offer inks in a bag-in-a-box container.

Trident has recently found that the degassing of ink is important to high speed applications. The packaging of the ink is critical to maintain this degassed condition before use. Trident plans to market this "Super" degassed Jetwrite at slightly premium price.

FASTDRI and HIDEF

FastDri " is targeted at the mailing and postal industry. The FD formula penetrates coated paper surfaces and provides faster drying. A newly revised design that operates at a lower temperature has been found to be far more user friendly. Special modifications to the ISS and Ink are necessary for ink/printhead compatibility. FD ink is presently only available in the Large Ink Supply (LISS) system.

The second ink, HiDef, has been developed with corrugated cartons in mind and will be key to sales in the Outer-Carton Coding market. The ability to print directly onto outer shipping containers eliminates the need for labels. Our high definition ink produces fine bar widths on very porous papers such as corrugated cartons. This ink is presently only sold with the LISS.

FUTURE INKS:

Several new inks are stated for sales during FY 1993. A non-porous ink for marking on non-absorbent materials will create large market opportunities. Fluorescent ink will be completed end available by the end of FY 1992. The primary application is for postal barcoding in Canada and Europe. The USPS also has internal applications for fluorescent ink.

ELECTRONICS:

Trident offers printed circuit boards, discrete electronic components, test equipment, power supplies and front generating software for use with the ISS units. The continued sale of the STD and PC boards are planned. No major introductions are anticipated for the electronics group. Some resources may be necessary if Trident desires to jointly market a complete system.

* * *

PRICE:

- The average selling price of ISS has been steadily increasing because we have been able to increase price on new models. Minimal pressure of the price of the ISS is expected. The 192/32 is priced 50% higher than our 32 channel configuration. Trident will increase its Average Selling Price by increasing prices whenever possible for new enhancements and products.

- Ink discounting for blanket orders was implemented in FY 1992. We expect customer pressure to reduce the price of ink in some markets. Trident also anticipates the erosion of ink margins as ink pirates are successful in beating our patents. Trident will make every effort to prevent or slow this competition down.

- Pricing of spare parts, electronics, and Starter/Evaluation Kits should remain stable. The price of the Starter/Evaluation Kit has been raised to accommodate additional components and services.

Exhibit 45

TRIDENT
INTERNATIONAL, INC.

STRATEGIC
BUSINESS PLAN

CONFIDENTIAL
ATTORNEY'S EYES ONLY

* * *

Corrugated Carton Coding

- Significant improvement in reliability (de-prime, dust) and ease of use
- ability to print all common bat code symbologies in specification
- Ability to print high quality graphics up to 4 inches wide
- Valve jet replacement
- Cost reduction of 50%

Non-Porous Parts and Packages

- Launch MicroCoder, PixelJet Liquid non-porous products
- Develop family of non-porous inks for various media
- Launch solid ink MicroCoder with improved adhesive ink
- Develop solid ink PixelJet
- Products and solutions for shrink wrap trays and non-porous cartons
- Cost reduction of 50%

Wide Format Graphics

- Roll to Roll and Flat systems
- Four color module and ink sets for:
  -Corrugated cartons
  -Signs, banners, billboards
  -Textiles
  -Product decoration
- High speed printhead drivers
- Ink management system
- Maintenance station
- $2/channel technology

1.7 ***Critical Success Factors***

- Emphasis on end-users as the ultimate customer

- Defend the ink business from pirates
- Make timely product development a company-wide commitment
- Aggressively reduce product costs
- Fully exploit the non-porous opportunity
- Maximize added-value from the wide format opportunity
- Increase the reliability and ease of use of Trident's impulse ink jet technology
- Create a world class manufacturing operation
- Improve Trident's ability to attract and retain high quality personnel
- Develop wider array, inert, low cost technology
- Obtain access to leading edge ink technology

* * *

Exhibit 46

* * *

Elaine Mention AT&T award. M/P desire to Trident thru sales space

QUARTERLY BOARD OF DIRECTORS MEETING

Trident, Inc.

Thursday, May 18, 1995

Main Conference Room, Building B

Brookfield, Connecticut

Agenda / Schedule Vice

Trident Board of Directors Members and Observers:
Robert Anderson - Bear Murray Fosler Securities
Russell Greenberg - Chatfield, Dean
David Hundt - Trident, Inc.
Bruce Johnston - TA Associates
Norman L. Norris - WWKM&Norris
Elaine Pullen - Trident, Inc.
Jim Roche - Greyrock Capital Group
R.Hugh Van Bivmer - Trident, Inc.

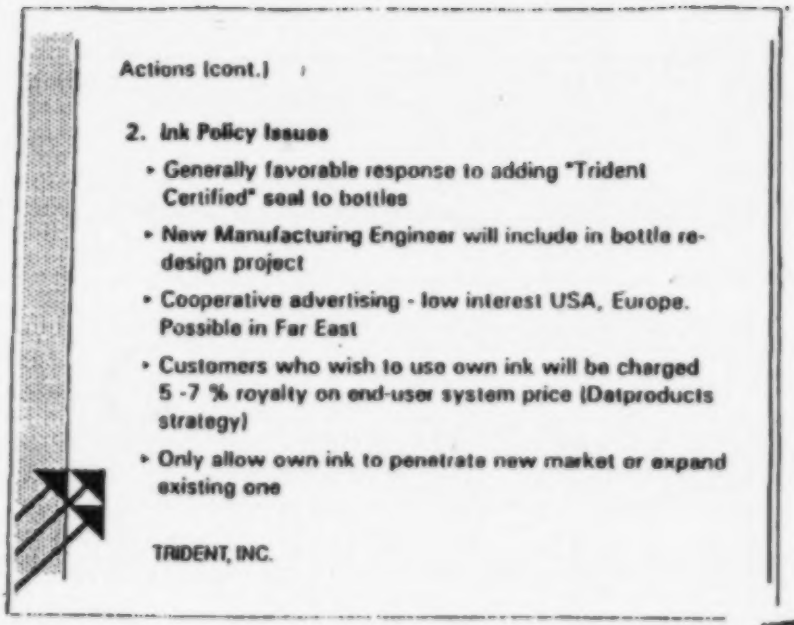
CONFIDENTIAL
ATTORNEY'S EYES ONLY

"CONFIDENTIAL"

EX. 46

TRID 028534

Ap. 677-1


Actions (cont.)
2. Ink Policy Issues
• Generally favorable response to adding "Trident Certified" seal to bottles
• New Manufacturing Engineer will include in bottle re-design project
• Cooperative advertising - low interest USA, Europe. Possible in Far East
• Customers who wish to use own ink will be charged 5 -7 % royalty on end-user system price (Datproducts strategy)
• Only allow own ink to penetrate new market or expand existing one
TRIDENT, INC.

* * *

Exhibit 47

EX. 47

Ap. 480

CONFIDENTIAL
ATTORNEY'S EYES ONLY

TRD 029208

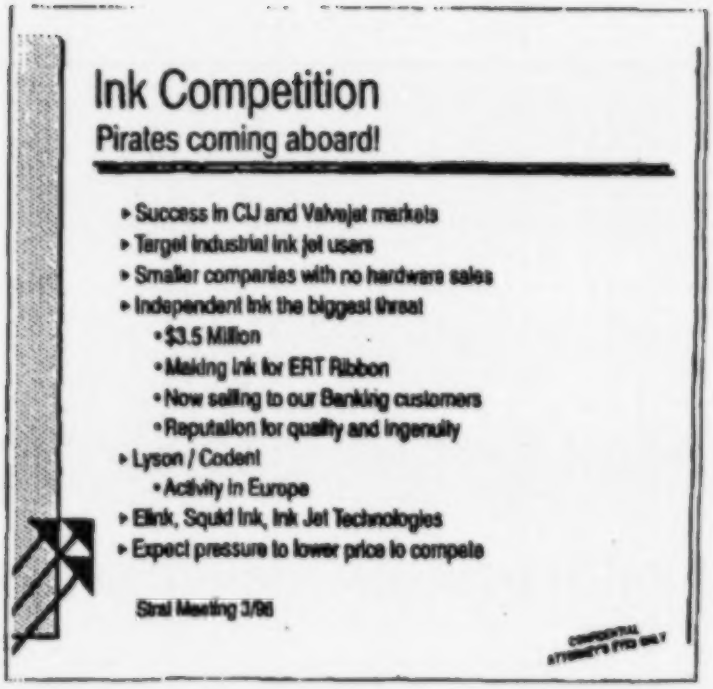

Ink Competition
Pirates coming aboard!
• Success in CIJ and Valvejet markets
• Target industrial ink jet users
• Smaller companies with no hardware sales
• Independent Ink the biggest threat
• $3.5 Million
• Making Ink for ERT Ribbon
• Now selling to our Banking customers
• Reputation for quality and ingenuity
• Lyson / Codent
• Activity in Europe
• Elink, Squid Ink, Ink Jet Technologies
• Expect pressure to lower price to compete
Strat Meeting 3/96
CONFIDENTIAL
ATTORNEY'S EYES ONLY

Exhibit 48

Trident, Inc.

QUARTERLY BOARD OF DIRECTORS MEETING

Thursday, Otober 27, 1994

Boston, Massachusetts

Trident Board of Directors Members and Observers:
Robert Anderson – Brean Murray Foster Securities
Russell Greenberg – Chatfield, Dean
Kathryn Guimard – Greyrock Capital Group
David Hundt – Trident, Inc.
Bruce Johnston – TA Associates
William Keresey – The Trine Group
Normal L. Norris – WWKM&Norris
Elaine Pullen – Trident, Inc.
R. Hugh Van Brimer – Tident, Inc.

* * *

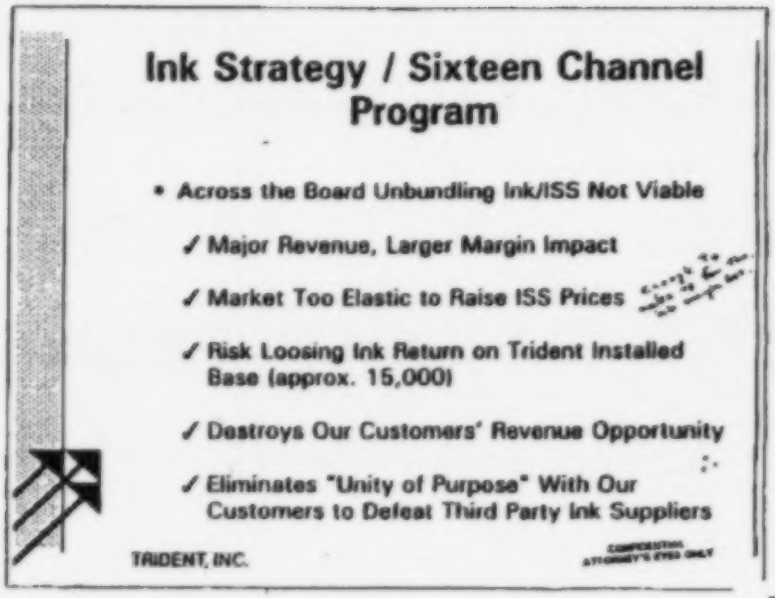
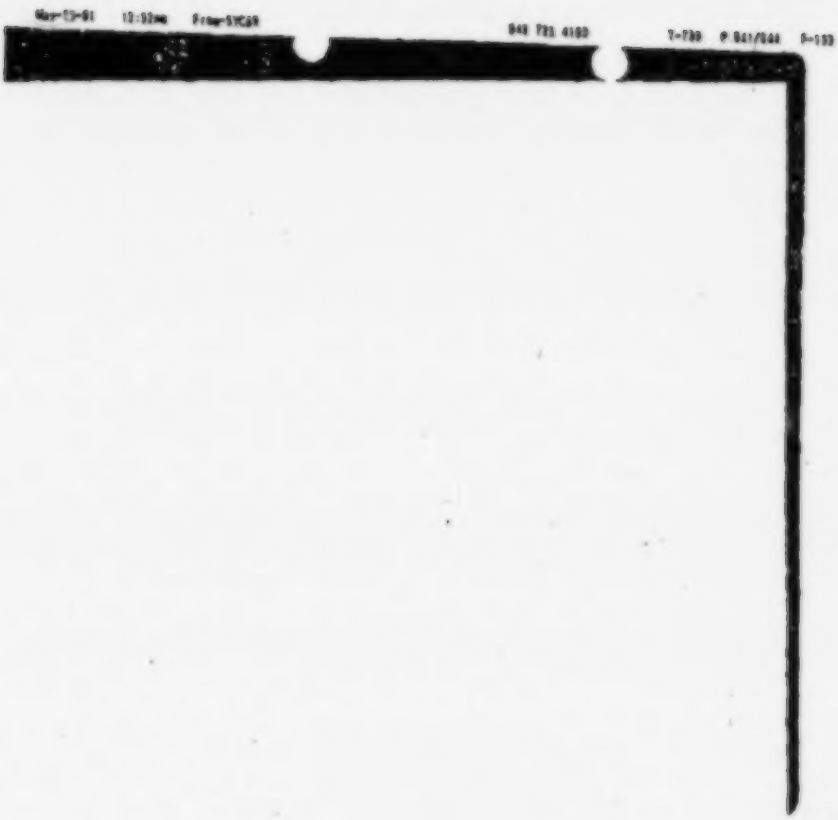

Ink Strategy / Sixteen Channel Program
• Across the Board Unbundling Ink/ISS Not Viable
✓ Major Revenue, Larger Margin Impact
✓ Market Too Elastic to Raise ISS Prices
✓ Risk Loosing Ink Return on Trident Installed Base (approx. 15,000)
✓ Destroys Our Customers' Revenue Opportunity
✓ Eliminates "Unity of Purpose" With Our Customers to Defeat Third Party Ink Suppliers
TRIDENT, INC.

Exhibit 49



Dell Marketing Systems
Applied Technologies

EX. 49

ITW-D02758

From: Elaine Pullen

To: BRIANM
Date: 5/26/99 7:19 pm
Subject: Dell Marking Systems, Inc. Reply

Thanks – hopefully we'll have put AT out of business soon.

Exhibit 51

Law Offices
Woodcock Washburn Kurtz Mackiewicz & Norris
A Partnership Including Professional Corporations
One Liberty Place – 46th Floor
Philadelphia, PA 19103
(215) 568-3100

April 6, 1992

VIA FEDERAL EXPRESS

Eric Thomason, President
ERT Ribbons Company
8101 Cameron Road, No. 103
Austin, TX 78753

Re: Trident, Inc.
Our File: TRID-0010

Dear Mr. Thomason:

My client, Trident, Inc. has asked that I write concerning your solicitation of Trident customers to purchase ink which you describe as intended for use in Trident printheads.

We have recently obtained a sample of the ink which your company is offering for use with the Trident printheads. At the present time, it appears that the sample of your ink which is presently under evaluation may infringe claims of one or more patents in the Trident parent portfolio. We will be in further touch with you in this regard as soon as the evaluation is completed.

In the meantime, please be advised that the standard agreement with Trident's customers requires that all customers purchase all of their ink requirements from Trident. Any solicitation of Trident customers to buy your company's ink

will therefore be treated as a tortious interference with Trident's contractual rights and Trident will take all necessary legal steps to prevent such tortious interference. You should, therefore, cease and desist from any further solicitation of Trident's customers.

Very truly yours,
/s/ Normal L. Norris
Normal L. Norris

purchase of a dominant "tying" product, resulting in economic harm to competition in the "tied" market.[9]

[Tie-ins] serve hardly any purpose beyond suppression of competition[10] [by denying] competitors free access to the market for the tied product, not because the party imposing the tying requirement has a better product or a lower price, but because of his power or leverage in another market.[11]

There is general agreement in the cases and among commentators that the fundamental restraint against which the tying proscription is meant to guard is the use of power over one product to attain power over another, or otherwise to distort the freedom of trade and competition in the second product. The distortion injures the buyers of the second product, who because of their preference for the seller's brand of the first are artificially forced to make a less than optimal choice in the second. And even if the customer is indifferent among brands of the second product and therefore loses nothing by agreeing to use the seller's brand of the second in order to get his brand of the first, such tying agreements may work significant restraints on competition in the tied product. The tying seller may be working toward a monopoly position in the tied market and, even if he is not, the practice of tying forecloses other sellers of the tied product and makes it more difficult for new firms to enter that market. They must be prepared not only to match existing sellers of the tied product in price and quality, but to offset the attraction of the tying product itself. Even if this is possible through simultaneous entry into production of the tying product, entry into both markets is significantly more expensive than simple entry into the tied market, and shifting buying habits in the tied product is considerably more cumbersome and less responsive to variations in competitive offers.[12]

[It is this] foreclosure of competition which offends the antitrust statutes.[13]

We shall see in Chapter 17B that many litigated tie-ins foreclosed too little of the tied market to impair the vitality of competition there. Nevertheless, it is the fear of market-altering foreclosure that underlies the law of tying.

1700d2. "Alien" intrusion and "unfair" advantage? The language just quoted both highlights the key concern for competitive vitality

9. *Times-Picayune v. United States*, 345 U.S. 594, 614 (1953).
10. *Standard Oil Co. (Cal.) v. United States*, 337 U.S. 293, 305-306 (1949).
11. *Northern Pacific Ry. v. United States*, 356 U.S. 1, 6 (1958).
12. *Fortner Enters. v. United States Steel Corp.* 394 U.S. 495, 512-513 (1969) (White, J., dissenting, though not on these points).
13. *David R. McGeorge Car Co. v. Leyland Motor Sales*, 504 F.2d 52, 57 (4th Cir. 1974), cert. denied, 420 U.S. 992 (1975).

* * *

ITI Imaging Technology Incorporated

Sales Notes

- All orders to ITI at or above $10,000 require a deposit of 1/3 of the net total amount with order. Balance due net 30 days.
- Payment terms far orders less than $10,000 are net 30 days.
- For prompt payment of invoices within 10 days of date of invoice, we will give a 1% discount on the 2/3 balance due (or the full amount if the original was under $10,000).
- We are required by our license from Trident, Inc. to use only Trident inks with any Trident printhead being sold. If incompatible inks have been mixed or "unqualified" (i.e. non-Trident supplied) inks have been used, this violation voids all printhead warranties.

* * *

* * *

Corrugated Carton Coding

- Significant improvement in reliability (de-prime, dust) and ease of use
- Ability to print all common bar code symbologies in specification
- Ability to print high quality graphics up to 4 inches wide
- Valve jet, replacement
- Cost reduction of 50%

Non-Porous Parts and Packages

- Launch MicroCoder, PixelJet Liquid non-porous products
- Develop family of non-porous inks for various media
- Launch solid ink MicroCoder with improved adhesive ink
- Develop solid ink PixelJet
- Products and solutions for shrink wrap trays and non-porous cartons
- Cost reduction of 50%

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  -Signs, banners, billboards
  -Textiles
  -Product decoration
- High speed printhead drivers
- Ink management system
- Maintenance station
- $2/channel technology

1.7 Critical Success Factors

- Emphasis on end-users as the ultimate customer
- Defend the ink business from pirates
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- Aggressively reduce product costs
- Fully exploit the non-porous opportunity
- Maximize added-value from the wide format opportunity
- Increase the reliability and ease of use of Trident's impulse ink jet technology
- Create a world class manufacturing operation
- Improve Trident's ability to attract and retain high quality personnel
- Develop wider array, inert, low cost technology
- Obtain access to leading edge ink technology

* * *

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
(Western Division)

INDEPENDENT INK, INC., a California corporation Plaintiff vs. ILLINOIS TOOL WORKS, INC., a Delaware corporation, TRIDENT, Inc., a Connecticut Corporation, and DOES 1 Through 50 Defendants.	CASE NO. CV98-6686 NM (CWx)

30(b)(6) DEPOSITION OF TRIDENT /ITW
NEWPORT BEACH, California
Wednesday, May 9, 2001
Volume 1

Reported by:
LINDA L. SILVER
CSR No. 9915
JOB No. 586943

CONFIDENTIAL – ATTORNEYS EYES ONLY

* * *

[Tr. 151] for speculation.

BY MR. O'CONNOR:

Q Do you know where it originated?

A No, I don't.

Q Is this a folder or something that says "Pirate Inks"? Do you know what that is?

A It appears to be.

A And then there is a 352, the next page says, "Eda Wilson's Office, Independent Ink."

A Right.

Q Do you know what that is?

A That's probably where the file was taken from.

Q Then the next page says "spectral profile," is that of Independent Ink?

A That's correct.

Q That's of the chromatograph or mass spectrometry?

A Right. Exactly.

Q It appears that they're basically identical?

A Exactly.

Q The next is "The Chromatogram."

A That's correct.

Q I believe it indicates, also, that they're identical.

A Um-hum.

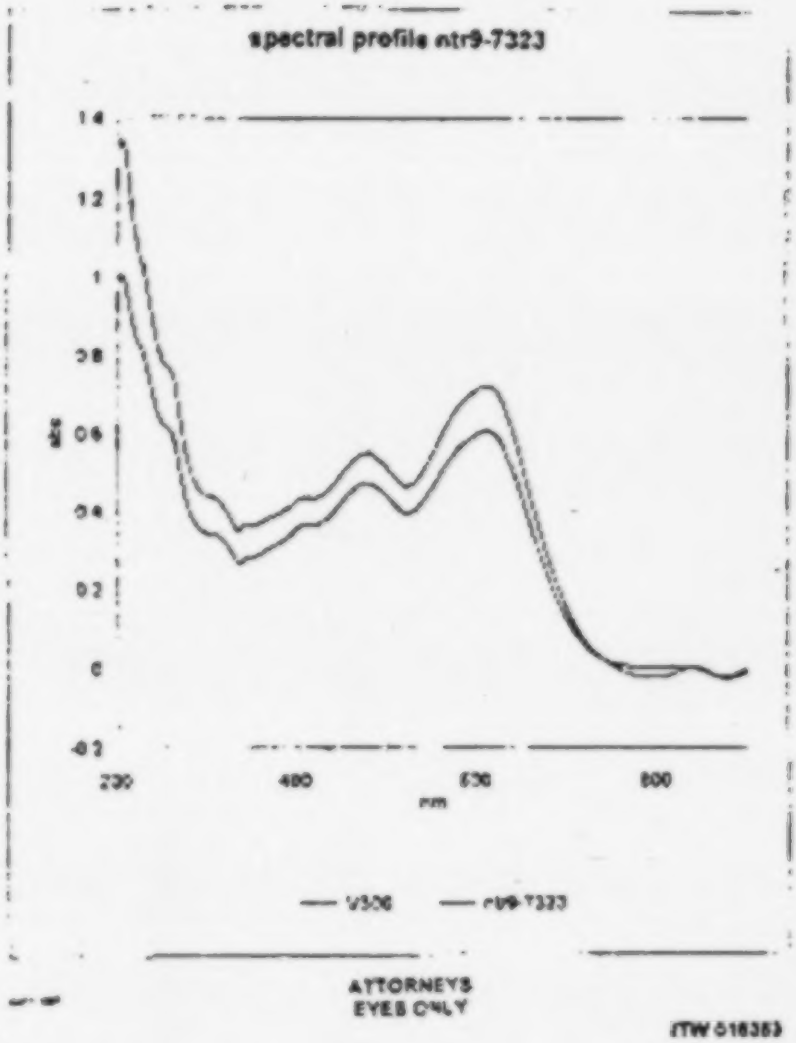
* * *

ATTORNEYS
EYES ONLY

Eda Wilson's
OFFICE
Independent Jak

ATTORNEYS
EYES ONLY

ITW 018382


spectral profile ntr9-7323
1.4
1.2
1
0.8
0.6
0.4
0.2
0
-0.2
200
400
600
800
nm
ATTORNEYS
EYES ONLY

Ap

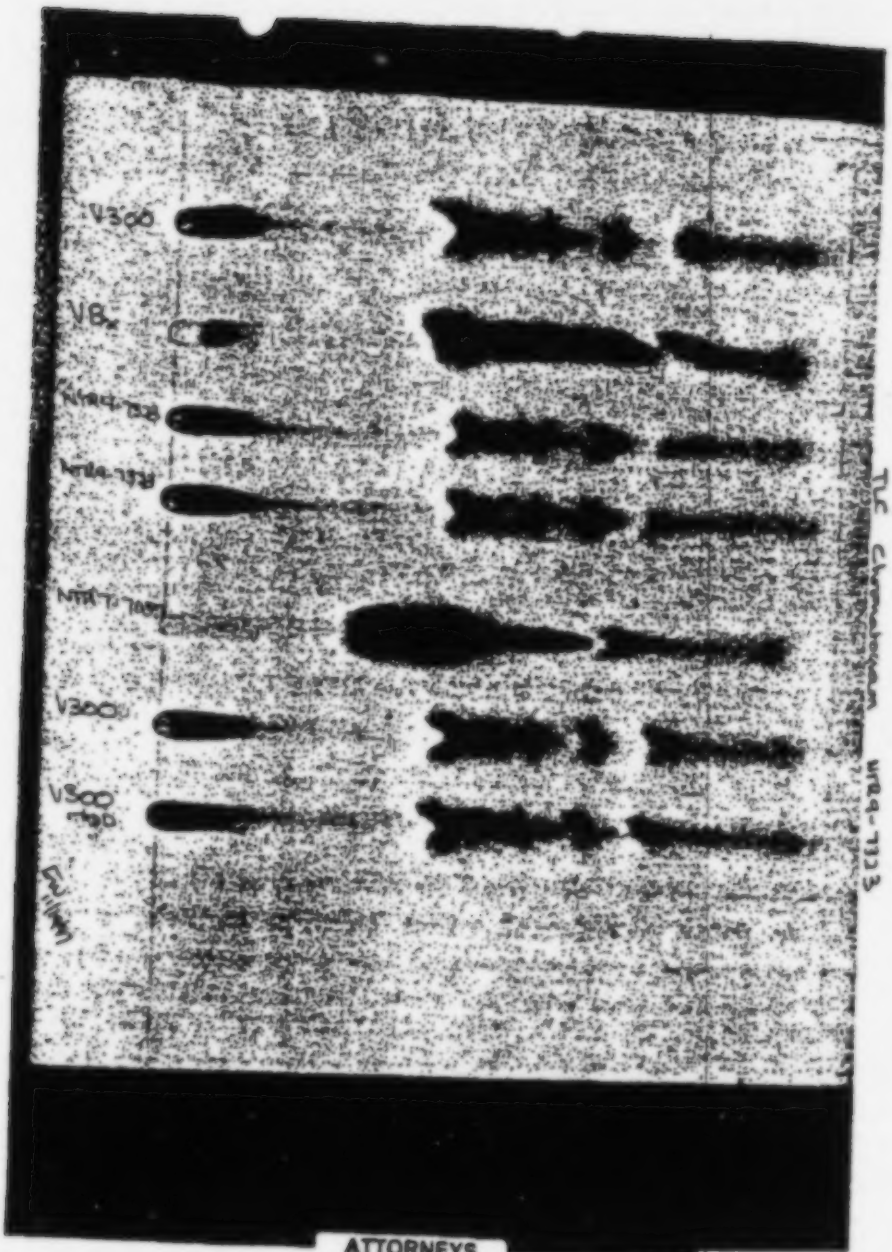

V300
V8
V300
V300
TLC Chromatogram
WR84-7333
ATTORNEYS
EYES ONLY
ITW 018354

Exhibit 30

CRS Marking Systems

Wednesday, January 20, 1999

Mary Broers
Tree Top
P.O. Box O
200 Titchenal Way
Cashmere, WA 98815

Dear Mary:

Thank you for the opportunity to earn your hi-resolution ink business through competitive pricing and outstanding service.

As I explained to you on the phone, Marsh has finally taken the step this month to break away from Trident Industries monopoly on hi-resolution ink and make Marsh hi-resolution AD1 ink. By doing this, Marsh can control the manufacturing of the ink so that the ink meets Marsh's specifications to provide better performance and printhead service life. From tests done in the field with actual customers using Marsh AD1 ink over the past six months, Mash [sic] has exceeded the performance of the current Trident ink in both printhead maintenance and ink mileage. The other benefit is that we can bring it to the customer at a reduced price from current levels.

I also explained to you on the phone that there was legal action being taken in the refilling of the Trident bottles. The bottles do state that they are "not to be refilled, and that is due to a patent that is placed on that bottle. The legal action is not coming from Marsh, but from Trident Industries. The liability also does not fall on the competitor either like I explained to you on the phone. It will be directed at the customer that has purchased the bottles and is having them refilled. Marsh saw this problem coming months ago and does not want to put the distributor or themselves in the position of being ink police for Trident Industries. Marsh has

taken the step of breaking their ties with Trident Industries to produce and distribute their own ink as of February 1, 1999.

Marsh and CRS Marking Systems are taking the approach of providing you this ink pricing and also printhead maintenance in the same agreement. CRS Marking Systems has just invested the time and money to have our Portland technician go through extensive training at Marsh to be able to repair these highly sophisticated and delicate printheads.

CRS Marking Systems and Marsh are committed to keeping ink and service competitive. To do that, we have to respond to the customer's wishes and be fair and reasonable to all concerned. Value added service is paramount in today's business environment and we hope that we have accomplished that with this letter. If you agree with the pricing set forth by this letter, then I will have formal papers dawn up for your signing.

As always, if you have any questions about this agreement or the items within this agreement, please do not hesitate to give me a call.

Sincerely.

/S/SCOTT ANDERSON
Scott Anderson
CRS Marking Systems

Cc: Bill Brophy – CRS Service Tech
Dwaine Branson – CRS Order Desk
Carrie Calvert – Marsh Company